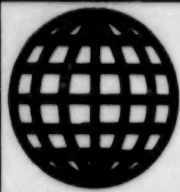


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30 AUGUST 1990



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JPRS Report

East Europe

East Europe

JPRS-EER-90-124

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INTRABLOC AFFAIRS

Central East European Forum Elects Provisional Leadership

90EP0778A Warsaw RZECZPOSPOLITA in Polish
24 Jul 90 p 2

[Article by J.St.: "Central Eastern Europe: Toward Rapprochement"]

[Text] The First Conference of the Central East European Forum concluded its two-day session Monday, 23 July. It was described as a "citizen-parliamentary movement." At this preparatory meeting, consensus was reached on the question of basic principles of action for the forum, and the Temporary Coordinating Council under the chairmanship of Senator Andrzej Machalski was formed. He said that 54 parliamentarians had joined the forum, the overwhelming majority from the Citizens Parliamentary Club [OKP].

The council is also made up of Miroslav Bures and Vladimir Soukup (Czechoslovakia), Czeslaw Okinczyc and Vytautas Pieckaitis (Lithuania), Juris Cibulis and Janis Dinevics (Latvia), Geza Buda (Hungary), Josef Toma Popescu and Maria Popescu (Rumania) and, from Poland, Senator Wlodzimierz Bojarski, Sejm deputies Wlodzimierz Mokry and Lech Kozaczko from the OKP, and Maciej Dworak from the Polish Republican Club.

In response to Central East European parliamentarians, the meeting participants called for the creation of "parliamentary groups of the Central East European Forum working together on behalf of rapprochement and cooperation among our nations." Also appointed was the Youth Organizational Committee of the Central East European Forum at Jagiellonian University under the chairmanship of Dr. Wlodzimierz Mokry.

The absence from the conference of representatives from Bialorussia and the Ukraine, as well as Estonia, Bulgaria and Yugoslavia was noted.

By 30 November, national structures are to be formed, and by the end of March a general assembly is to be convened to conclude the forum's initial phase of activity. By then it will be seen what the real chances are, as Senator A. Machalski put it, of "familiarizing these countries with the idea of the need for cooperation."

Asked about the forum's relationship to initiatives undertaken by the Batory Foundation, Prof. Andrzej Kawczak, chairman of the sessions, said that during preparations for the conference, the organizers established "friendly contact" with the foundation and intend to work with it.

BULGARIA

Union of Democratic Forces Daily Analyzes Ethnic Factor in Elections

90BA0219A Sofia DEMOKRATSIYA in Bulgarian
3, 4, 5 Jul 90

[Article by Kalina Bozeva and Purvan Stoyanov]

[3 Jul 90 p 3]

[Text] The dates 10 June and 17 June are behind us. The passions aroused as to who is the winner, the BSP [Bulgarian Socialist Party] or the SDS [Union of Democratic Forces], have already abated. Emotions, however, related to the so-called national problem, which was somehow neglected in the preelectoral days, are developing in an inverse proportion. The society is being redivided instead of being divided into the blue and the red.

Patriots and Renegades

"We are asking you: We are accusing you, Messrs. Lilov, Zhelev, and Vulkov! We are accusing you of hatching a sinister political conspiracy behind the backs of the people.... For having allowed, for the first time after our liberation, a representation in the Bulgarian National Assembly, which...will work like a fifth column, promoting the doom of Bulgaria...." This is an excerpt from the appeal of the Executive Committee of the Bulgarian National Democratic Party, which was published in issue No. 4 of the newspaper ZORA.

"On 10 July our party will make a living chain when the Grand National Assembly convenes. We shall not allow within it individuals with a foreign national self-awareness. If blood is to be shed, we shall shed your blood first...." (DUMA, No. 82). These appeals were voiced by the chairman of the Bulgarian National Radical Party, Dr. Ivan Georgiev, at a meeting on 23 June in the capital.

On the crest of the patriotic wave, we find the familiar All-National Committee for Defense of National Interests (OKZNI) and the Patriotic Labor Party (OPT), which rallies several organizations. The branch of the party in Shumen (and not only that branch alone) proclaims that it is not possible for "the laws of a democratic law-governed state to be made by people who define themselves as Bulgarians...." (DUMA, No. 82).

The most colorful flower in the bouquet of patriotic displays was exhibited on Saturday, 30 June, on Sv. Aleksandur Nevski Square in Sofia at a national meeting organized by OKZNI and OPT in Kurdzhali:

Dimitur Arnaudov: The fist, which is our symbol, may become a bouquet of fists! Long live Bulgaria!

Mincho Minchev: We are for the rights of the individual but not for the rights of communities.... We oppose any

separation of a community on an ethnic basis. Anyone who does not like it should seek another country....

Vyacheslav Spasov: How was Margaret Thatcher able proudly to say, when she sent the ships to the Malvinas: I am defending the national interests. How could the American Constitution stipulate that if any senator... would harm the national interests he will be opposed by the force of arms. We need this type of text as well....

Candidate of Economic Sciences Docent Balabanov: Anyone who does not want to be with us and to feel himself a Bulgarian should catch the last departing Orient Express....

Rumen Mikhaylov, G.S. Rakovski Legion: The Bulgarian People's Army has always loved Bulgaria. The Bulgarian People's Army is with Bulgaria....

The 'Either-Or' System

If a person unfamiliar with the correlation of political forces in our country had followed from a distance the escalation of such patriotic declarations, he might have thought that the parties that organize such demonstrations are popular with the people. But let us consider the electoral results.

In our data analysis we turn to sociologist Antoniy Gulubov from the Youth Institute:

"Yes, the electoral results indicated that, unlike the January events, it is no longer sufficient to raise the national question as the only task of a political organization in order to ensure its success. The small social backing that ethno-political movements received convinced us, to begin with, of the faulty intuitive feeling of the Bulgarian people and, second, of the fact that the national problem did not prevail in the electoral campaign. It is obvious that, in terms of the expectation of the people, security and individual economic stability were more important than affiliation with a given ethnic group.

These results led to a crisis in the ethno-political movements as well as in OKZNI, the Patriotic Labor Party, the Bulgarian National Democratic Party, the Bulgarian National Radical Party, and the Movement for Rights and Freedoms [DPS]. However, the crisis had different reasons, looked at from the Bulgarian and the Turkish sides. The Bulgarian ethno-political movements realized that they did not enjoy the support of the country, whereas the DPS realized that it cannot rely on the full support of the Turkish ethnic community.

In between the electoral rounds, both sides tried to find the reasons for this situation and to do something about it. OKZNI began to publicize, above all, its socio-economic program, denying the view that its existence was based solely on the national problem. Its ideologues expanded their views concerning the national interests. On 15 June, at an OKZNI meeting held jointly with the Patriotic Labor Party in Kurdzhali, priority was given to

ecology and social stability. Emphasis was put on the country's defense, and conversion was opposed. The idea of a military alliance with Greece and Israel for joint defense against the Islamic invasion was raised. Particularly worrisome is the flirtation of OKZNI with the military, via the question of conversion. It is not within the range of competence of such a committee to discuss this matter and, to top it all, to wave like a banner the version of the military threat originating in Turkey and to disseminate rumors to the effect that Turkey was ready to invade Bulgaria; it tries to turn the shock this creates among the local Bulgarian population into a blow aimed at the Turkish ethnic community in the country.

The national radicals launched a strong and direct attack at the DPS, applying the "either-or" method. Unlike OKZNI, they do not discuss the question of whether the elections had been manipulated. They believe that, in principle, deputies who do not have Bulgarian self-awareness have no right to sit in the Bulgarian parliament. The views held by the National Democrats are similar. However, they are displayed in a more civilized way: They do not call for bloodshed.

These ethno-political movements have developed a clever tactic: They garnish their struggle against the Turks with attacks against the government. The strong radicalism that was released after 10 November is still determining the views of the supporting masses. To this day it is exclusively radical and antigovernmental demands that are being supported in the programs of these movements.

[4 Jul 90 pp 1, 3]

[Text] Sociological studies and our journalistic observations have led to the following conclusion: The antigovernmental threads in the programs of the ethno-political movements largely strengthen the confidence the people have in them. This makes it easier to "digest" even extreme nationalistic insinuations. The following are the points of support related to the overall irritant, the Movement for Rights and Freedoms: removing its deputies from the Grand National Assembly and disbanding the movement itself.

The arguments set back by several months the chronology of events: Was it necessary to establish such an organization in January, considering that other organizations existed that could have defended the interests of the Turks? Such questions, however, are not substantiated either psychologically or morally. Have we forgotten the explosive situation that existed in the country and that began to worsen as early as the end of last December with the fatal decision that put an end to the "revival" initiatives and the beginning of the rehabilitation from them? Have we forgotten the meetings and car-procession campaigns that followed?

Today we have already reconsidered a number of truths about the mutiny that was developing at that time: the fact that the rehabilitation of the victims of the "revival process" meant (to many) an undesirable disruption of

various layers; that it triggered in the Bulgarian people fears of revenge; that it threatened a number of their economic, political, and power interests (mainly of the ideologues and the promoters of the "revival" in the local areas, who were made the sacrificial victims of the "centrally" pursued criminal policy).

Today, when we carefully consider all the truths of the January 1990 "heat," we must honestly note another. In this extremely heated atmosphere, it was necessary to painfully weigh every word, every good gesture toward the minority in order not to tense even further the nerves of the majority. During those days, heavy with threats, it was hardly likely that Old Mother Gyulsyun or Father Khasan would have appealed to any one of the existing organizations that (with its diplomatically unclear platform) would have defended their threatened rights and freedoms. What are the hypothetical concepts suggested today by the theoreticians? Even the blind could see that in such a mutinous atmosphere the ethnic group had no chance other than to rely on itself!

The stronghold of the conspiracy against the DPS is the personality of its leader. As we can see from the statements made by meetings held by Bulgarian ethnopolitical movements, his actions and statements are instantly interpreted as being those of the entire ethnic community.

Until recently, his personality indeed had a magnetic influence in that community. In addition to his unquestionably high intelligence, the leader of the DPS wears on his head the halo of a martyr who spent three years in jail for his resistance to the "revival" process.... However, in no more than a few months his credit began to erode, and the gap between him and some members of the movement's membership grew to its present size. It is no secret that this membership has its specific mental features. The people are disciplined and obedient. They are able to keep their distance and do not claim to be political experts. And...it is as though, on a silver platter, they offer their Akhmed tremendous power. Unfortunately, this spontaneous and trusting gesture harmonizes poorly with the ambitions of their leader. Personal estimates and decisions and arbitrary, and secret commitments are becoming the style of his political activities....

The elections were nearing. In the course of one of our trips in the southern and northeastern parts of the country (in April), discussions with a number of activists in the movement convinced us that they were not relying on registering it as a political party. At some of the okrug conferences, Akhmed Dogan himself explained that they would go to the elections with independent candidates. On the eve of the deadline for registering the movement with the court, the DPS still had not prepared its documents. That makes truly puzzling the speed with which the movement was entered in the court records as a political party.

Who needed this? People's representatives from the Turkish ethnic community could also become members of the Grand National Assembly as independent deputies, and their number would not have been different from the present one because there are about 20 electoral districts with compact Turkish populations.

Both Turks and Bulgarians now clearly realize that the registration was needed and beneficial to both parties. It suited Akhmed Dogan, who considered himself a remarkable leader of a huge parliamentary group (over 40 seats). It also suited the BSP, thus channeling the vote of thousands of Turks toward their own party tickets instead of having those hundreds of thousands of votes going to the opposition (the ruling party soberly realized that by itself it had no chance of gaining the support of that population that it had so suitably "revived").

Such tactics yielded the expected result. The BSP took what belonged to it and the confusion among the members and sympathizers of the movement increased, particularly between the two rounds, when the initial results of the elections became known and when the people were informed of the results of their balloting. However, as it were, they were unable to actively react because it was precisely then that their leader took a truly dizzying step. At a press conference, when all the eyes were focused on him, he took the most incredible contrary step. By declaring the parliamentary group of the DPS to hold the balance of power in the Grand National Assembly, in a single sharp gesture he put soft Islamic rugs under everyone's feet. However, these rugs turned into live powder kegs that, in addition to blasting his authority as a politician, strongly shook up the movement itself.

The Bulgarians were taken aback and the Turks were frightened. In all too many places, they became a buffer that absorbed the commotion created by their leader's foul. Representatives of the DPS started coming to Sofia demanding that we publicly force their chairman to separate his own opinion from that of the movement. Some of them conceived the idea of calling a national conference for a change of leadership and, above all, of a chairman. Others developed the idea of creating a new organization directed toward democratic forces and distanced from Akhmed Dogan's labyrinths.

How will the DPS develop in the future? (Let us reemphasize that, after the elections, this movement does not enjoy the status of a political party!) Will it change its leadership or will it not? Will it split or will it not? These are questions it must answer itself. The only "judge" could and will be the law. This will be a law based on international legal acts to which Bulgaria is a party and that specifically assert the right of individual communities to preserve their ethnic originality.

[5 Jul 90 pp 1, 3]

[Text] Both in January and now, many people panicked at the idea that the national problem, aggressively developing along the line separating the two ethnic groups,

was insoluble. The psychological foundation of the January and the present psychosis remains the same: a mixture of feelings ranging between fear and violence. It is between these two extremes that the attitude toward the national problem is currently advancing. According to the specialists, no other factors that can develop such strong mass psychoses exist in the mass mentality. The long years during which coercion was the basic form of relations between managers and the managed gave priority to fear as compared to coercion. After 10 November and the change of many ordinary relations, we have witnessed the opposite phenomenon: violence caused by fear. This was indicated also by the electoral results. The tendency to rely on what was known and what appeared much safer than the new led to paradoxical results.

This correlation, applied to our way of thinking about the national problem, means the following: Once again we must rely on the very familiar image of the enemy ready to attack us. It means once again to bring forth all the arguments that, both on the historical and the psychological levels, will intensify the ethnic division. Shall we do this once again?

Let us clearly say that, regardless of whether Mincho Minchev and company accept the existence of different ethnic communities, such communities objectively exist. Mr. Minchev knows perfectly well that the active-imperative formula *thou shalt no longer be a Turk!* collapsed. There is another formula through which the national problem could be taken off the agenda. It is the following: opening the Turkish community and its gradual emergence from its isolation and the limits of ethnicity.

Probably Mr. Minchev and company will reply that they too suggest the same. The difference that exists, however, is exceptionally substantial: how to bring down the "Chinese walls," and how to get the smaller ethnic group involved in the national culture. From personal experience, Mr. Minchev knows that any elimination of cultural autonomy by force and ultimatums creates compensatory mechanisms: The community strengthens its walls and becomes even more isolated. Under such circumstances, exposure to national culture does not take place. It can take place only when the need for it is created. In turn, such a need will be experienced only by people who have a civic feeling and who do not consider themselves socially and ethnically deprived.

An attempt was made to turn us into a monolithic nation. This failed. They drove us into "reserves," something that indeed occurred. Shall we try by ourselves to come out of the isolation and save ourselves from interethnic hostility and build a civilized society? Can we build it on the basis of the types of laws that, either when drafted or applied, will not put one ethnic group above another?

Genetics of Division

But here we are puzzled at the ever-new organizations that appear and that attack the solution of the thorny national problem from their own viewpoint. What is alarming is not their appearance but the means they use to attack. There are those who describe such organizations as nationalistic, whereas others describe them as patriotic, as aimed at saving the nation.

But where is the truth? When does a movement become nationalistic? In political publications, nationalism is interpreted in a variety of ways. Whatever the interpretation, however, it includes the feeling of exclusivity of one's own nation, turning it into a cult. Is this the case with our phenomenon?

According to the specialists, in the case of Bulgarian ethnopolitical movements, the foundation is not an enhanced but a lowered national self-awareness. We see compensatory manifestations triggered rather by an inferiority complex and the cultural provincialism of Bulgaria. With the exception of the DPS, on the appearance of which we commented, the remaining ethnopolitical movements in our country are based on arguments that may be traced to a more distant historical past: a feeling of inferiority and deprivation stemming from the period of Turkish slavery.

To this day a negative attitude toward the Turkish ethnic community as a whole has existed, with a genetically transmitted automatic reaction. Everyone clearly realizes that its present representatives are not those who participated in the historical events of past centuries, sad in the memory of Bulgaria. Nonetheless, the automatic reaction applies.

The criminal policy in the national problem pursued by all Bulgarian governments did not suppress but rather enhanced an opposition. Privileges were granted to one ethnic group or another. Frequently, violence was part of the arsenal of political means. Under the conditions of a totalitarian state there are no escape valves to relieve social tension. Nor are there any social regulators. The automatic reaction continues to work impeccably to this day, enhanced by complex socioeconomic and political arguments. This was the base on which the present ethnopolitical movements were created.

To sum it up: To the extent to which one could speak of nationalism in our country, it could be defined as pragmatic and not as ideological. It is based on a fear of change in the status quo and not the feeling of national exclusivity. The following question arises: Is there a cure? Because, pragmatic or not, of late it has triggered manifestations that simply make our blood turn cold: There have even been appeals for bloodshed....

Nonetheless, there is a cure. Bulgaria must have the type of government that would react to any such action. Its firm and uncompromising line concerning any kind of deviation from legality would normalize our social life and act preventively as well. The membership would

decline whenever the government made a retaliatory "attack," provided it is convincingly substantiated and provided the government inflexibly observes a principled position, thus thinning the ranks of exalted supporters of a given ethno-political movement. The people themselves would reinterpret their activities on a level more constructive to the nation.

To the Power Holders Today

Pursuing this line of thought, many are the questions asked of you. Will you declare—and, if so, when—to this aroused people your attitude toward the national problem that is being exacerbated at this point (also as a result of your passive attitude)?

Will you make public your attitude toward the noisy appeals to annul the elections of deputies showing a Turkish ethnic self-awareness? Who will assume responsibility for the 23 June meeting sponsored by the National Radical Party that called (in the middle of Sofia) for bloodshed? And when? Will the prosecutor's office continue to ignore such an anticonstitutional act, relying on chance as it awaits 10 July, the day on which the promised bloodshed is to take place?

Will the government hold responsible the newspaper DUMA, which, in its announcement on 24 July, "conscientiously" disseminated (without any critical remark) this sinister appeal? Who will be looking more closely at the platforms and, above all, the activities of parties that, for the sake of the "purity of the nation," continue to instigate interethnic confrontation and national discord?

We ask: When shall we finally get an answer?

New Political Research Center on Role of Assembly

90BA0240A Sofia TRUD in Bulgarian 9 Jul 90 p 2

[Interview with Antonin Todorov, Avram Agov, Valeri Rusanov, and Emiliya Lisichkova, Bulgarian researchers at the Center for the Study of Democracy, by Dimitrina Zareva; place and date not given: "The Parliament Is a Place for Political Compromise"]

[Text] The Center for the Study of Democracy is an independent scientific organization that was created at the end of 1989. It is interdisciplinary in nature, and it employs young Bulgarian scientists and practical specialists interested in the study of democracy.

As an independent research organization, the center has no ties to political parties or state structures. Its activities are of lasting nonparty orientation toward universal principles and values of democracy. The center cooperates with all social and political forces that encourage the democratization of contemporary Bulgarian society.

The center is supported by its participation in domestic and international research programs. It also receives donations.

Specialists with different basic skills participate in the research programs (politics, sociology, philosophy, economics, history, mathematics); they also have different political orientations.

We talked with four of them about the functions and responsibilities of the newly elected Grand National Assembly [GNA].

[Zareva] The Grand National Assembly is now a fact. But why is it grand?

[Todorov] This institution existed in the past, as well. The first Grand National Assembly convened for the purpose of adopting the Turnovo Constitution of 1879. At that time it differed from the ordinary National Assembly essentially in two aspects: Its range of competence was limited, i.e., it had been convened to settle a specific problem, after which it was disbanded; further, it consisted of a greater number of deputies. According to the 1971 Constitution, constitutional amendments as well as the adoption of a new constitution fall entirely within the prerogatives of the National Assembly (without its being grand); a resolution to this effect must be passed by a qualified majority of two-thirds of the deputies (and not a simple majority of 50 percent plus one).

The institution of the Grand National Assembly was recreated with the latest amendments to the Constitution. Today's GNA combines to a large extent the prerogatives of the GNA of the time of the Turnovo Constitution as well as of the National Assembly, as per the 1971 Constitution. On the one hand, the GNA was convened to adopt a new constitution; on the other, it also has the plenary powers of the National Assembly (its mandate cannot exceed that of the National Assembly and it can perform ordinary legislative activities).

[Zareva] What is the purpose of the GNA?

[Agov] Its specific purpose is to establish the future constitutional system and to provide guarantees for its relative stability. The GNA must lay the groundwork of the real separation of the legislative, executive, and judicial powers, with the implied supremacy of the parliament. Furthermore, we can expect that it will channel within democratic procedures the political dynamics by moving the political debate from the streets to the parliament, where the possibility of reaching an agreement is much greater.

[Zareva] Will the Grand National Assembly become a real parliament? Why is it that, until now, we so rarely used the word parliamentarianism?

[Todorov] This is a very appropriate question. For a long time we rejected parliamentarianism in our dominant ideology and practice. Yet it established itself long ago in the developed democracies. The parliament is a representative body consisting of democratically elected representatives (deputies) who, for the duration of their mandate, act as professionals (they earn high deputy

salaries and cannot be recalled by the voters). In our past practices, the principle of the "people's,"—that is, a permanent parliament, not consisting of professional deputies—was proclaimed, for which reason the deputies could be recalled at any time. This principle was based on rejecting the idea that parliamentary activities should be a profession. On the other hand, it was believed that such "nonprofessionalism" of the parliament would be a guarantee against the usurpation of power by a small group of people, acting against the will of the people (since any deputy could be recalled at any time). As we now see, our practical experience fully refuted these ideas. Members of parliament are not permanent in any developed democracy, although they are professional deputies for the duration of their mandates. Here, as well, an effort is made to break with tradition. Thus, for example, the parliamentary group of the Greens in the FRG is periodically renovated within the same legislature (the term of the parliament).

[Zareva] How will the GNA operate? Could it become merely a talk shop, unable to make decisions?

[Rusanov] Above all, the GNA must adopt a new set of rules that would regulate all aspects of its work, the more so since the present regulations are inapplicable under present circumstances. Some of the most important matters that such a regulation should settle are the following: the way of discussing problems, the procedure for adopting the agendas for the sessions, the rights of the parliamentary groups, the exercise of legislative initiative, and—something which today is quite essential—the procedure for the adoption of legislative texts and the ways of coordinating a variety of positions. The practice of the simple "dictate of the majority" is no longer conceivable. The texts of future laws must mandatorily and maximally take into consideration the revival of a parliamentary minority. Otherwise no legal stability is possible. The opposition must be represented not only within the authorities of the parliament but also in its leadership. Generally speaking, the parliament is not an arena for political battles but a field for the search of political compromise. That, at least, is the situation in the developed democracies.

[Zareva] How important will the drafting of a new Bulgarian constitution be in the activities of the GNA?

[Lisichkova] This problem must assume a dominant place in the country's political life. It should replace or at least reduce to the greatest possible extent phenomena such as strikes, meetings, civil disobedience, and so forth. So far, the requirements concerning constitutional amendments had become part of the electoral struggle waged by the main political forces in the country. The propaganda results that were sought seem to have pushed aside the need for radical changes in our fundamental law. The real problem now is the following: Will the new parliament be able to deal with the task assigned to it by the people? The existence of an opposition will place the National Assembly in an unfamiliar position. It should be such as to eliminate the existing prevalence of

party over national interests. Another major difficulty is the expected political fatigue on the part of the population. The roundtable experience indicated that endless dragging in solving obvious problems creates mistrust and distances the bulk of the population from the results of the discussions.

[Zareva] Could the breakdown of the BSP [Bulgarian Socialist Party] and the SDS [Union of Democratic Forces], the two political giants, be expected?

[Rusanov] It is no secret that there are peripheral trends within the BSP and the SDS, which are much closer to the nuclei of the "opposition" bloc. In an eventual breakdown of the two basic coalitions, there will inevitably be a regrouping of forces in the National Assembly. One could expect that such a regrouping will shape the future center of Bulgarian political life.

[Zareva] How would an eventual breakdown of the two political blocs affect the work of the GNA?

[Lisichkova] In my view, any eventual breakdown would, first of all, free political passions from doubts concerning the reliability of parties and associations that, forced by the circumstances, coexist under the same roof. For the tremendous majority of the population, the breakdown of the coalitions would mean cleansing political positions and eliminating compromises concerning the political leaders and ideas. It is a fact that the breakdown would facilitate to a certain extent the work of the new National Assembly, enabling it to surmount partisanship and to give priority to national interests. On the other hand, the breakdown into political blocs with the blocking effect of the prime factor will once again postpone the solution of urgent economic, political, and national problems. It is very difficult to conduct a parallel process of decentralization and restructuring simultaneously and to think in a nonparty way at this stage. All of this creates the danger of inefficiency and improper attitude toward social processes. Yet the crisis demands fast and decisive steps.

CZECHOSLOVAKIA

New Ambassador on Future Soviet-Czechoslovak Relations

90CH0370A Prague RUDE PRAVO in Czech 11 Jul 90 pp 1, 3

[Interview with Soviet Ambassador Boris Pankin by Lubor Kazda and Zdenek Porybny; place and date not given: "Speaking With a Diplomat Undiplomatically"—first paragraph is RUDE PRAVO introduction]

[Text] In May, 59-year-old Boris Pankin began his diplomatic mission as Soviet ambassador in Prague. A person with an interesting background, the ambassador was a journalist and publicist, he headed the editorial board of the popular daily KOMSOMOLSKAYA PRAVDA, he devoted himself to literary criticism and essays. In the 1980's, he became Soviet ambassador to

Sweden. On the occasion of a recent visit by the editors of RUDE PRAVO, he granted us an interview.

[RUDE PRAVO] As a result of your own experiences based on your functioning in Scandinavia, do you believe that the model of so-called Swedish socialism can be applied in the countries of Central and East Europe and, specifically, in Czechoslovakia?

[Pankin] I was thinking about this as early as the time that I received the offer to take on the function of ambassador in Prague. But first, I would like to correct one thing: In Sweden, no one says that a model of Swedish socialism exists. They merely speak of "the Swedish model," even though it is indisputable that its initiators and coauthors are the Swedish Social Democrats who have been governing in that country for almost 60 years—with the exception of a brief six-year interval—and who profess socialist ideals. But as they themselves told me, they are attempting to utter the word socialism as minimally as possible....

[RUDE PRAVO] For tactical reasons?

[Pankin] Yes. They are convinced that this word has been discredited to a considerable extent. In our century, it was far too often brandished by far too many varying political forces which compromised it through their activities. The Swedes also add: We are not creating some kind of socialist house, a society of socialism, we are creating a society of fairness. It should give everyone equal rights to the same opportunities.

When they wish to stress the difference between Sweden and that type of socialism which was being promoted in the Soviet Union and, following that example, also in the other countries of East Europe, including Czechoslovakia, they draw attention primarily to the following fact: You have, they say, brought about a disproportionate amount of socialization pertaining to production. You eliminated the market while we did not kill this goose that lays the golden egg, but concentrated on the socialization of the distribution sphere. This provides a feedback effect: The Swedish method of distribution stimulates production positively, makes it more efficient. If mankind were already able to live generally under those conditions which the Swedes have managed to establish—and I do not mean only material things, a comfortable life-style, but social protection and the social climate, in general—then those who are devoted to socialist ideals could already now say that the goal has been attained without fear that they are compromising the idea.

[RUDE PRAVO] Only you in the Soviet Union, we in Czechoslovakia, and others with us, deliberately killed this goose that lays the golden egg. We will now be resurrecting it....

[Pankin] Perhaps my analogy will not fit completely, but it seems to me that in Sweden, in 1932, the Social Democrats did, in their way, that which occurred in our country in 1985 and in your country following 17

November of last year. They brought about a revolution. A peaceful revolution, but nevertheless an actual revolution. They embarked upon serious sociopolitical changes of their system and achieved conclusive results. But I return to the thought which was evoked by your question: It is probably not worthwhile to copy mechanically from the Swedes. But to examine their system, to study it, and to learn from it—it definitely deserves that.

[RUDE PRAVO] The last question on this topic: Which experiences absorbed you as a diplomat?

[Pankin] It was one specific characteristic which definitely separates the Swedish model from the other Western democracies. In Sweden, unemployment is considered to be a social evil and Sweden regards the eradication of unemployment as its principal all-societal task. The Swedes look very critically at the approach of, say, Great Britain, the United States of America, or of the United Nations with respect to unemployment. They criticize their theory of a "two-thirds society" under which it is acceptable for two-thirds of the population to prosper and one-third to suffer. This is something the Swedes categorically reject. They themselves have minimum unemployment. They introduced a highly developed system for creating new working opportunities, for requalification, for the reallocation of manpower reserves, etc.

Where in other Western countries 20 percent of the funds made available for solving unemployment are expended on various constructive measures and more than 70 percent are paid in the form of support for the unemployed, the situation in Sweden is the reverse: The state expends 80 percent on retraining and other measures which I have already mentioned.

Once a year, at the beginning of spring, there are intensive negotiations with trade union associations, representatives of entrepreneurs, in fact the entire country discusses the kind of obligations which employers will take on and the kind which employees will take on, they handle the increase in prices and wages, they create some kind of nationwide collective contract which is valid for a year and is binding for all—from the government through the trade unions to individual citizens. The negotiations are stormy and sharp, threats of strikes occur—in other words, it is dramatic. But all know that: In the end, a sensible agreement will be reached. It is possible to find more such examples of the ability to harmonize various interests into a generally acceptable compromise in Sweden.

Perhaps from the sphere which is closest to me—from the activities of the Swedish Ministry of Foreign Affairs. It employs very few people who are appointed to their functions on the basis of political affiliation. The main mass of its employees are experts, specialists, who are simply thoroughly knowledgeable with respect to one or another problem. And if the parties in power change, then a dozen chiefs are changed at the Ministry of Foreign Affairs but the remainder normally continue in

their work in their positions. The ministry is actually deideologized. In my opinion, this is not a bad recipe.

[RUDE PRAVO] Democratism, the art of compromise, the capacity for tolerance in the broader sense of the word, but also the more immediate tolerance among individuals, obviously has undoubted traditions in that country. How do you evaluate developments in the Soviet Union from this standpoint; what is the source of the almost tragic manifestations of intolerance?

[Pankin] There are many causes. On the one hand, there is the inadequate degree of general culture. And on the other hand, there is the deep-rooted habit of being constantly subjugated to one force, to one governing party which is "infallible." In part, this resulted in a longing to issue orders and decrees—and he who issues orders generally thinks very little about tact and respect for others—and, in part, this resulted in a habit of subordinating oneself, albeit accompanied by internal protests. All of this traumatized the psyche of Soviet society on a long-term basis—both the psyches of those governing and of the governed. This gave rise to hypocrisy. It even gave rise to a somewhat pithy saying: If I am the boss, I hold you for a fool. If you are the boss, I am considered the fool. A few words and they contain the entire ideology of many years.

Perestroika naturally awakened giant forces. It is not surprising that some of them are not constructive as a result of the preceding deformations. Anyone who was oppressed, who unlearned how to tell the truth out loud can become readily intoxicated as a result of sudden freedom. And the opportunity to speak in public, to be heard, is frequently perceived as being self-serving. One forgets what is being said. The main thing is that it sounds loud, that it is burningly critical or effective, that it arouses attention....

We know how to speak. But we have not yet learned to listen and to agree. It is now extremely important that, while we are expressing one or another viewpoint, even if they are maximally self-critical, we know how to hear the views of another. And not only hear them but also understand them. And to seek agreement. Even that is part of culture, tolerance, intelligence, if you will. However, my generation grew up with the inculcated notion that compromise meant something repulsively treacherous. That it was a manifestation of a lack of principle.

[RUDE PRAVO] The recently concluded constitutional congress of the Communist Party of the RSFSR [Russian Soviet Federated Socialist Republic] did not confirm, however, that part of the party cadres had already understood this. On the contrary, the inflexibility of the conservative forces and their aggressiveness at the congress resulted in serious anxiety as to what will happen next. What do you think of this?

[Pankin] Yes, these numerous and noisy presentations and outcries were also not to my personal liking and evoked a feeling of protest in me. But, at the same time, I want to tell you that I am not so anxious. That which

took place at this congress is a matter for the congress of that republic. Of that party. We rescinded the provision covering the leading role of the party in Article 6 of the Constitution. It is now one of the parties—although it is the largest, most numerous, and the most influential. Nevertheless, that which is taking place within the CPSU no longer automatically and absolutely preordains the entire status of society.

[RUDE PRAVO] And yet it is precisely for this that Mikhail Gorbachev received a share of hard criticism at this congress from the conservatives.

[Pankin] This is all the result of the old and surviving notions held by some people regarding the position and mission of the CPSU. However, I do not see in this any reason for reaching tragic conclusions. Naturally, it is very unpleasant; it turned out that the forces of the conservative resistance continued to be quite aggressive and that it is not possible to underestimate them. Democratic forces must draw their conclusions from all of this. And even though such assaults are occurring even at the 28th Congress of the CPSU, they continue to involve only the problems of a single party, one of the social forces. The sooner we understand this, the better. Even abroad.

Gorbachev is the president. He was elected for a five-year term. And no events in congressional forums can shake his influence as president. His influence could be shaken only by a broad universal resistance movement. Like you, for example, experienced in November of last year. Consequently, it is most important for us now for the president, the government, the presidential council to consistently solve those deep problems with which we are dealing, as well as the problems of practical living: the economy, and social conditions. This is what moves people. If a shift for the better occurs, then the influences of the conservatives will diminish. Conservatism is abusing the current situation and is attempting to foist the following concept upon the people through demagoguery: "Now you have what you wanted. So much for your perestroika! Let us return everything to where it was and we will again be all right!"

If it were truly possible to persuade people in this regard, then a great danger would truly arise. But I think that this is no longer possible.

[RUDE PRAVO] The overall situation in the Soviet Union is now currently designated as being critical. Do you see any realistic ways out of it? Is it possible to achieve gradual solutions for all burning economic, social, and nationality as well as other disputes which have arisen over the past decades and which have now been fully exposed?

[Pankin] There is no doubt that solutions can be found. It will be very complicated, but it is possible. The way out is realistic. I believe that one-sixth of the world, a sixth of the world so rich in natural and human resources, will have the strength to solve its problems. And people deserve to live in this one-sixth under

dignified conditions. The path upon which we embarked in 1985—and, at that time, after all, Gorbachev did not fall from the sky, neither did those who support him—is correct and leads to the correct goal. I do not wish to simplify, but if, for example, we had not initiated perestroika, it would have been difficult for the November revolution to take place in your country, the European process would not be taking place in this democratizing free direction which we are now witnessing.

The entire stream of changes in the Soviet Union is undoubtedly complicated and difficult. This is not surprising. All of us, the entire society, carry the birthmarks of the previous era. We also struggle with this era, each within ourselves. The changes on the scale of the entire country are all the more dramatic. It is taking us a long time to part with each dogma. I need only recall how much it cost me in previous years to persuade people, orally as well as in print, that the time had actually come to stop heaping abuse upon Social Democrats as being "social lackeys."...

We are even undertaking the economic reform extremely slowly, using the method of squeezing toothpaste from a tube: We always set only a portion of the economic factors free and would, right away, rather stop the process. Then another piece—and stop. Instead of creating new conditions in a frontal assault. This timidity and indecision inhibits changes and, understandably, is reflected negatively in the social situation as well as in the moods of the people.

[RUDE PRAVO] On the other hand, it is difficult to criticize timidity and lack of decision when it comes to Soviet foreign policy.

[Pankin] That is certain. In foreign policy, we have achieved maximum successes within a relatively short period in comparison with other regions. And in my opinion, one of the results is that we have managed to see the essence of those rapid and fundamental changes which have occurred in East Europe, including Czechoslovakia, recently in a direct manner and with impartiality. We consistently respect the sovereignty of every country and its inalienable right to independence. And we are prepared to forge normal, healthy, constructive relationships on this basis.

[RUDE PRAVO] It is said that the superpower makes no apologies to anyone for its actions. Do you believe that this is still valid, for example, in relationships with respect to the intervention in Czechoslovakia in 1968?

[Pankin] Our current evaluation of the invasion by our tanks of Czechoslovakia in 1968 tends to contradict this.

We have publicly condemned this step as being unjustified and illegal, as a result of deformed, erroneous notions regarding the policies, regarding the mutual relationships which were pursued by the then party and state leadership. We have condemned the doctrine of the

so-called limited sovereignty and we are rectifying the consequences of these deformations. Not only with words, but also with deeds.

[RUDE PRAVO] For a certain time, the Western press wrote of the "unprofessionalism" of some new Czechoslovak Government officials. What are your feelings based on meetings with our representatives? How do you feel about these would-be politicians?

[Pankin] On the basis of overall Czechoslovak development over the past few months, as well as on the basis of specific meetings and conversations, I have reached the opinion that it is not appropriate to speak of political amateurism. I did not observe it. On the other hand, I did observe vehemence which is being brought to bear in certain functions. A number of Czechoslovak initiatives have given rise to positive responses; for example, in my opinion, the institutionalization of the all-European process, the creation of a permanently functioning mechanism of the Helsinki Conference, is most topical. Many of the ideas are close to ours. And then I think that you are pursuing a very sensible and professional line with respect to the fate of the Warsaw Pact and with respect to its reformation from a military-political association to a political association. In this regard, your president is playing first-chair violin.

[RUDE PRAVO] In your opinion, on what must the new relationship between Czechoslovakia and the Soviet Union be based?

[Pankin] We have already spoken of the fundamentals. Sovereignty, mutual respect, correctness, good neighborliness. This is the starting point toward a new construction on which we are embarking in our relationship. The main thing will be trust. Without mutual trust under the new conditions, progress would be difficult. In my opinion, therefore, it is necessary to spend less time looking to the past, to not constantly cross oneself, and to work all the more on strengthening the threads of trust and of healthy relationships. On the part of both sides. After all, we are not suffering from an absence of sympathy; on the contrary, there is ample mutual sympathy, I feel this on the basis of many meetings which I have already had; it is based on the relationships between the peoples of both countries.

[RUDE PRAVO] How do you regard the possibilities for establishing such relationships of trust and friendship between the peoples of both our nations which would be free of the burden of the past decades?

[Pankin] I believe that certain steps toward renewal are already in place. The foreground is being taken by stabilizing factors which connect us historically and which are based on much that is common in our history: based on our being neighbors, on realistic ties, on the Slavonic idea, as well as modern ideas which give rise to the concept of creating an all-European house. So that already from the standpoint of rational views, there exist sufficient support points for the creation of a good foundation for tomorrow. After all, it will be to our

benefit if we manage to be good friends without false sugary smiles and statesmanlike kissing at airfields, which we have known in the past and which was then always surrounded by a lot of anecdotes.

[RUDE PRAVO] And your diplomatic credo?

[Pankin] To dismantle all artificial obstacles which stand in the way of understanding between the people of my country and of that country in which I represent the Soviet Union. Aleksandra Kollontayova, Lenin's collaborator, the first ambassador in the world whom Sweden recalls with warmth to this day, had a principle: The day you did not make a new friend for your country was a day lost. I carry this idea of hers constantly in my head. And I gladly abide by it.

[RUDE PRAVO] Thank you for the interview.

Schwarzenberg To Head Havel's Presidential Office

90CH0292A Frankfurt/Main FRANKFURTER
ALLGEMEINE (supplement) in German 13 Jul 90
pp 11-15

[Article by Krisztina Koenen: "Take It Easy, Gentlemen—Karl Johannes Prince von Schwarzenberg"]

[Text] Vienna has changed. New faces, new figures, new old languages on the streets, in the marketplaces, in the shops. Whole busloads of Czechs and Slovaks crowd past the show windows downtown. Tired Poles are eating their sandwiches in front of a baroque church, and Hungarian street musicians are playing their tunes in the Kaertnerstrasse. Do the Viennese interpret this latest change in their city, the East European animation, the belated resurrection of the monarchical center, as a clear gain? Probably not the majority of them. The visitors may perhaps be welcome as colorful dots on the landscape, as tourists and clients, but they are not wanted as permanent guests, much less as refugees.

Only a few weeks have passed since a report of the International Helsinki Federation created a uproar on Austrian television. Karl Johannes Prince von Schwarzenberg, the chairman of the federation, submitted a report which spoke of demeaning chicanery toward refugees and of violations by Austria of national and international conventions. The newly introduced visa requirement for Bulgarians, Romanians and Turks was a life-threatening development for many of them, the prince continued. If one feels that the Austrian boat is really full—and Karl Schwarzenberg by no means shares this opinion—one should say this openly. One should change the laws and abrogate conventions rather than coldly circumventing or breaking them.

The response to his appearance on television took the form of outraged telephone calls to him and to the stations, he relates, obviously delighted by the successful provocation. One has gotten used to the idea—and not only in Austria—that it is always the regimes on the

other side of the former Iron Curtain which violate human rights, deprive the citizenry of freedoms, and persecute minorities. Many people were shocked by the fact that, even in a Western country such as Austria, a human rights organization such as the Helsinki Federation finds cause for sharp criticism.

At first glance, it seems paradoxical: The prince, bearer of an historical name, is one of the few persons in his country to have a vision of Austria as a modern European state. Both the time of the monarchy and the years during which Austria was a "peninsula of the blessed" are now irrevocably gone, he says, without showing the slightest trace of nostalgia. Austria must change its attitude toward refugees at once; also urgently needed is a discussion of basic principles with respect to the international role that the small land must play in the changed situation. Karl Schwarzenberg views the opening up of the Eastern European neighboring countries as a great challenge. If he had his way, Austria, in this new situation, would, on the one hand, serve as a bridge between North and South and, on the other, between East and West—a futuristic vision which has already become reality on the streets of Vienna.

Karl Schwarzenberg was never one to fear socialism. The bizarre collection of monuments on the Schwarzenbergplatz in Vienna is downright symbolic in this respect. There we find, first of all, high atop his horse, his famous ancestor, Field Marshal Karl Philipp von Schwarzenberg, the "victorious military leader" in the Battle of the Nations near Leipzig. He was immortalized by Emperor Franz Joseph, who, shortly after ascending the throne, appointed another Schwarzenberg, Prince Felix, to be his first prime minister. And behind the field marshal, another military man: Atop a column no less than 32 meters high stands a Soviet soldier, swinging a flag; this is the Soviet war memorial, erected in memory of the liberators of Vienna. And finally, hidden behind bushes and groves of trees, there is the Schwarzenberg Palace with its renowned gardens. Some time ago, already under the influence of the radical changes in Eastern Europe, the idea came up that the Soviet monument, this unwieldy reminder to the Austrians, should be removed from its downtown location. In a letter to the editor of a daily newspaper, Karl Schwarzenberg rejected this notion, however, citing the peace treaty, which obligates Austria to take care of and preserve the heroic monument. However, since a literal interpretation of the text of the treaty would not have ruled out a relocation, one is tempted to assume that he may have had an interest in seeing the bizarre arrangement kept as it is.

Karl Schwarzenberg explains his commitment on behalf of human rights, for the interests of Eastern Europe, and especially for Czechoslovakia, with a "hereditary burden." As a central European, he could afford to be a patriot in several countries simultaneously, he says. The prince, born in Prague in 1937, did not leave Czechoslovakia with his parents until 1948, one year after their holdings had been expropriated by the new rulers of the country by means of a law created expressly for this

family, the "Lex Schwarzenberg." During their heyday, the Schwarzenbergs owned 640,000 hectares of land in Bohemia, a veritable miniature state with its own jurisdiction. It was clear that this state of affairs must provoke the socialist heirs to seek revenge, and the well-known antifascist stand taken by the family during World War II made no difference either in this instance.

The fact that he is a rich man today is owed by Karl Schwarzenberg to his uncle Heinrich, who, stemming from the Austrian line and without a son to succeed him, made Karl, at that time a poor law student, his heir. That he publicly proclaims himself to be a farmer, forester and landlord, and that he makes reference to the Farmers' Association when asked where he stands politically, is the product of his own nature as well as that of his inheritance. Aside from the palace in Vienna, which has accommodated a hotel since the 1960's, he owns, in the Steiermark, the third-largest privately owned forest and sawmill enterprise in Austria, a number of smaller agricultural and touristic enterprises, as well as a chain of discount stores and a construction materials factory. Karl Schwarzenberg considers himself to be a "miserable" businessman, but he feels obligated by the confidence placed in him by his adoptive father to look after his undertakings personally. He did not inherit his wealth, after all, for the sole purpose of squandering it, but rather to make something of it. And this he is doing, even if he must again and again resist the attraction that politics holds for him.

The focal point of his activity is his work in the International Helsinki Federation, an umbrella organization of national organizations which has taken it upon itself to keep track of all human and civil rights violations in the member countries, and to make this information available to the public all over the world. At first glance, this may seem to be a relatively modest objective, but the events of the past year have demonstrated the effects that information such as this can have. Five years ago, on the recommendation of Bruno Kreisky, Karl Schwarzenberg was elected chairman, and last year, in recognition of his work, he received, together with Lech Walesa, the "European Human Rights Award" of the European Council. He is also chairman of the Austrian Helsinki Committee, which has not been afraid to grapple with such delicate topics as the asylum system and antisemitism in Austria.

His current intense relationship to political life in Czechoslovakia came about through his work in the International Helsinki Federation. For many years, he says, Czechoslovakia had been the problem child of his organization. He visited the country frequently, to be sure, but he had to be extremely careful in his actions while there, since just his talking to someone was enough to expose that person to persistent persecution. It was during this time that he became acquainted, among others, with Vaclav Havel and Jiri Dienstbier—acquaintanceships which turned into friendships which still exist today.

"If you had asked me a few months ago if Havel was my friend, I would have said yes without hesitation. But now, now that he is the president? How does it sound if I say 'the president, my friend'?" Karl Schwarzenberg can be included among the closest advisers to the Czechoslovakian president. He himself is striving to have his role in politics in Prague perceived as slight in the public eye. That should soon change, however. Vaclav Havel, who without inhibitions calls Schwarzenberg his friend, entrusted him soon after taking over his office with a delicate task. The president would like a "consultative council" made up of Czech and Slovak emigre personalities which is to advise him in questions of foreign, economic, and cultural policies. He asked Karl Schwarzenberg to form this council and to assume the role of conductor of this multivoiced choir. Only when one learns that such dissimilar persons belong to this group as professor of economics Ota Sik, the film director Milos Forman, or the German Green party member Milan Horacek, does one realize how much sensitivity, tact, and diplomatic ability were assumed to be possessed by the prince. The fact that he might shift the focal point of his life to Czechoslovakia—Czech is one of his two mother tongues—is conceivable to Karl Schwarzenberg, perhaps even his desire. In dealing with this question, he wants to subordinate his wishes entirely to the decisions of his president.

The great historical name of his family gives Karl Schwarzenberg a courage that he might otherwise not have: "It makes it easier for me to open my mouth." At the same time, he feels compelled by this name to exercise extreme restraint. In the harsh days of the old regime in Prague, he did not hesitate to speak out for the imprisoned and disenfranchised dissidents, especially for Vaclav Havel, as well as to use the weight of his name and his international stature. Today, however, in a free Czechoslovakia, he is almost bashfully reserved, he wants to avoid giving the impression that he wants to involve himself in some inadmissible manner. An example of his caution is his course of action at the time of the first free elections: Although he did, to be sure, take part in a number of campaign rallies, he never spoke out for a specific party, but instead exhorted his listeners to take part in the election by casting their vote, something that he called an obligation that everyone has not only to himself or herself, but also toward society as a whole. Karl Schwarzenberg cannot be associated with a specific political direction. Customary direction designations such as "liberal" and "conservative" are believed by him to be obsolete and unsuited for present-day usage. He does not fancy himself to be a man with a mission. His conception of obligation has nothing or only very little to do with the modern bourgeois concept of a Contrat social [social contract]. He clings to the basic notion of the feudal system, the fact that "nothing really belongs to you." Everything has only been lent to us, and we are accountable for the things that we received, both to ourselves and to "someone up there," he says. This means both an obligation and a responsibility, he says, then hesitates, painfully affected by his

own words, for this all sounds too pompous for his taste. But this thought preoccupies him, since he believes that the loss of the concept of service creates a great ethical and moral problem. People should come to the realization that egocentric self-fulfillment does not really bring one ahead; only the self-fulfillment which is also service could be accepted by him. Whenever one is too self-centered, alone, in other words, the false gods rise up, the need for a leader, a party, or even a Mercedes SEL.

It is not only this concept of service alone that shows Karl Schwarzenberg to be noble in spirit. He regrets that people nowadays are no longer able to distinguish between the informal and the rude. This does not in any way mean that he favors a return to a strict etiquette. He finds it completely in order for Vaclav Havel to perform some of his official duties in blue jeans, for this is still a long way from meaning that the president is violating the basic precepts of courtesy. Karl Schwarzenberg looks with a certain amount of admiration to the East, where, following the revolutions, the forms of courtesy that were frowned upon for many years were reintroduced, where one is trying to treat one's fellow man with the respect that he deserves, while in the West one is trying to tear all this down. He considers the forms of courtesy to be a great enrichment of social intercourse, and he fears that, without them, there may be nothing available to fall back on in critical situations.

Karl Schwarzenberg neither wants to ingratiate himself cheaply with the populace nor hover over profane wordly occurrences like a relic of bygone days. What he does not like is the "high-sounding mouthiness, a ponderous seriousness, and a harping on principles." One should take one's work seriously but should not consider oneself overly important. He calls himself lazy by nature, every halfway decent horse—by his own admission—interests him more than a balance sheet. And if you ask him about his principles, he is fond of quoting a statement by Prince Eugen, who during an introduction is supposed to have said to his officers: "Take it easy, gentlemen!"

[Box, p. 11]

Karl Johannes Prince von Schwarzenberg, forest owner and entrepreneur in Austria, is chairman of the International Helsinki Federation. In 1989, together with Lech Walesa, he received the "European Human Rights Award." For the past 6 months, the prince has spent a lot of time in Prague; he is one of the closest advisers to President Vaclav Havel.

Schwarzenberg's Aristocratic Background Deemed Advantageous

90CH0343A Vienna DER STANDARD (Album supplement) in German 20 Jul 90 pp 4-5

[Article by Gerdfried Sperl: "Domiciled in Vienna, at Home in Prague"]

[Text] Some gentlemen in the Austrian Foreign Ministry were quite upset: on Alois Mock's first visit to his

neighbor in Prague, facing him on the other side was not only his opposite number Jiri Dienstbier, but also Karl Johannes Schwarzenberg, counselor to President Vaclav Havel. One of the irritated diplomats even went so far as to complain to Science Minister Erhard Busek, who set the complainer straight. What was happening, he said, was that old times were returning once again without fanfare. The old times which had been displaced, but not destroyed.

The example of the Twelfth Prince of Schwarzenberg, Princely Landgrave of Kleggau, Duke of Krumau, Count of Sulz and Honorary Citizen of Zurich serves to demonstrate that two individually established networks can be helpful in developing democracies in Eastern Central Europe. The intellectuals and the enlightened aristocracy. Scientists, writers, journalists, supported by human rights organizations, have always spread the word on this. Putting their trust in the long-term aspects of history, the aristocrats had pinned their hopes on communism's transitoriness.

Karl Schwarzenberg is a man who is a combination of both aspects, because he practices the discretion with which he speaks, and because he has made use of, but never abused, his knowledge. Vaclav Havel, who appointed him as his chancellor, need, therefore, have no fear of either restoration of the monarchy or of misdirected power.

In Vienna, the location of his palace with the fashionable hotel, there have been increasing efforts during the last few years to obtain the counsel (and frequently the money) of the prince—unofficially because, for official purposes, the republic's hands-off policy toward the old Austrian aristocrats continues, despite the "normalization" of relations with the House of Hapsburg. Because, in truth, we don't have normal relationships with anything.

In Styria, which in political matters is sometimes as far distant from Vienna as a dukedom in Croatia, Schwarzenberg could have been elected a parliamentary delegate, or to an even higher position. There, where he has settled and where he is domiciled, as he is in Vienna, aristocrats are not shunned. Under the governorship of Josef Krainer, one of the members of the state parliament presidium is Lindi Kalnoky, nee Galen, member of a Westphalian aristocratic family, who is married to a Count Kalnoky, a member of the Transylvanian-Hungarian aristocracy. Vincenz Liechtenstein, a nephew of Otto Habsburg, represents Styria in the Bundesrat. After the death of Hanns Koren (who knew how to blend tradition with experimental modernism), Schwarzenberg assumed the presidency of the Joanneum Land Museum, founded by Archduke Johann, which includes Eggenberg Castle, the "Styrian Escorial." A 400 million schilling program is to be devoted to upgrading the Joanneum and to place it partially in private hands; a new TRIGON art museum for Central Europe is being planned. Schwarzenberg will continue this work, despite his functions in Prague, where he was born in 1937 and where he

now feels at home. Since he not only looks for extraordinary qualities in the people he encounters, he also has strong ties to the places in his life—to Franconia and Schwarzenberg Castle, which he has visited once almost every summer; to Upper Styria with Murau and the Turach, where the hunt and the forests absorb him; to Vienna, the link with world contacts; to Krumau and Prague.

There, in his new chancellery, Karl Schwarzenberg is able to act in a way which is typical for him. He might ask such questions as: "If you needed someone for this task (which he then describes), whom would you choose?" Or he might refer a questioner to Professor M. from Harvard or, for a specialized matter, to the director of the local museum in U. He just happens to know about those things. Following that, he might relate an episode from the life of a dachshund, after which, he might come up with the question of why the Bohemians refer to Vienna as "Widen," while the Hungarians call it "Bees." Names, he says, you give to your relatives and friends, but this is not appropriate for nationalisms. That, he thinks, is a matter of affection.

Moravian Writer Against Excesses of Centralized Bureaucracy

90CH0352A Prague LIDOVE NOVINY in Czech
25 Jul 90 p 4

[Article by Jan Trefulka: "I See What I See"]

[Text] The Czechoslovak Republic (the new name be damned—it is practically unuseable, and everybody knows it) consists of two nations and three or four territorial units, in which live people who are relatively well-educated, industrious, level-headed, and in any event able to take care of their own affairs by themselves, except for several areas involving international affairs of the state. They are, however, prevented from exercising autonomy in directing their own affairs by the centralized, bureaucratic apparat in Prague, from which in the course of many years—the last 40 years certainly contributed the most in the way of programs but the foundations were probably laid already during the First Republic—evolved a relatively solid class which spread through the ministries and various central directorates and administrations, a class which basically has no political ambitions or world view (membership in some political party is purely to serve a special purpose) and whose only goal is to stay in the governing mechanism in as well paid as possible and not very demanding position that does not carry with it any specific responsibility. This class is very loyal to its own and basically resists all attempts at reorganization: In place of the terminated ministries there will appear others, there will be central and main administrations, boards and presidiums, consulting bodies and committees where the same specialists will work who basically verify each other's qualifications. If we take into consideration that Prague has 90 percent of editorial offices of newspapers and journals

and publishing houses and the central drama departments of radio and television, whose editors contribute to the molding of public opinion and whose personal interests are basically identical with the interests of that bureaucratic class—that is, to keep their good jobs—it is a force that is totally invulnerable.

The Slovaks, the Moravians, but certainly also citizens of other corners of our country, find this state of affairs increasingly unbearable. For 40 years, or perhaps even longer, somebody has been constantly trying to make us into idiots who are unable to wipe their noses without advice and assistance from the center. Thousands of directors, deputies, and personnel from various enterprises make their way every day to the central offices, in order to learn what mostly are banalities that do not help them in any way with their problems. An editor in Brno or a script editor for the radio or television is still only a mailman who brings or sends articles and scenarios to Prague for approval. And that is still the case today when radio and television directors, as I know them, are able, honest, and thoughtful people. But they do not see the situation as absurd because that is simply the way the Czechoslovak Government used to operate and still does.

And it is precisely this method of governing that is the prime mover and fertile ground for all the nationalistic, and potentially even separatist, trends and their not very surprising success in the elections. It is not possible to use reason against such nonsensicality and invulnerability of the centralist bureaucracy. It is irrational and only another irrationality can shake it up and confound its self-esteem. It does not know very well how to talk to people who are capable of declaring Dr. Tiso on the commemorative plaque to be Svatopluk's successor, nor can the Prague centralist irrationals gauge well enough how to face Moravian demands, because they suspect that the more they play everything down the more it will have of determined supporters, and a centralized apparat without enforcement powers cannot prevent the creation in a few years of an independent Slovakia and a Moravian government. How can it be arranged to be able to eat the cake and have it too? Unfortunately, there can be no centralism without the cake.

I see what I see. From that far-off Brno it appears to me that the Czechoslovak Governments will have a much harder time than they probably expect, that the horrors of Minister Klaus will not be the worse and the most indigestible by far of what awaits them. They must learn to govern in an entirely new way, in a genuinely decentralized way, without ordering people about and without the unbearable know-it-all [besrvisrovstvi] attitude, so that they will not chase voters into the ranks of the nationalistic movements. In that they will have to fight not only with that enormous, powerful, centralized Mafia, which in the end perhaps represents a greater power than the previous party apparat because it is more universal, anchored in families—admittedly smarter—and really knows some things that are useful, but also among themselves, with the habits of many years, with

their acquaintances, friends, families, even with their own press, and with the public opinion which today is still only Prague-oriented. This fight has not been won by anyone yet, not even by the party; I would say that it will be the touchstone of the young democracy. I can see that the next two years will be exciting and I am almost sorry that I did not get more mixed up in politics. By the way: I would not hide that commemorative plaque in Banice nad Bebravou. After all, it is even now a very instructive memorial—by far not just the founding of a teachers' academy. Let Moravian patriots, who have been living through their thousand-year history equally as hysterically and comically as their Slovak colleagues, go there to pay homage to the memory of Svatopluk's successor, Dr. Tiso. And who will be the future successor of the king of the Great Moravian Empire—in Nitra, of course? Bishop Korec, who would obviously like to find favor with the survivors of the murdered Jews as well as with Tiso's posthumous children? And why not? Between us Great Moravians: Svatopluk changed his allies several times without any great fuss; after all, he would not have made any headway otherwise in the Christian Europe of those days.

Nuclear Plants' Safety Severely Criticized

90CH0307A Hamburg DER SPIEGEL in German
23 Jul 90 pp 112-116

[Unattributed article: "No Megawatt, No Bonus"—first paragraph is DER SPIEGEL introduction]

[Text] Sloppiness, technical safety deficiencies and a steady stream of operational accidents are daily occurrences in the CSFR's nuclear power plants: the overly ambitious Czechoslovak nuclear energy program is shown by internal reports of the Prague Atomic Energy Commission to be turning into a great stumbling block for the young democracy.

Thinking about his work gives Jan Zpevacek [not his real name], a nuclear energy engineer at the Slovak SEP power kombinat, heartburn these days. "This project," complains the unhappy specialist, "is a nightmare; it should never have seen the light of day."

The source of Zpevacek's anxieties is located in Jaslovské Bohunice in southern Slovakia. There, deep within the catacombs of the shut-down "A-1" nuclear power plant, 40 tons of burned out uranium fuel have been lying in the bright blue pool of water of an old storage tank, awaiting removal to a final storage site which is nonexistent.

The deadly radiating material, packed in 150 steel storage containers, has long since penetrated through the fuel rod sheaths; nobody knows to what extent the steel containers have rusted out. For purposes of disposal, which becomes more urgent from one day to the next, Zpevacek and his crew are supposed to remove the highly radioactive junk from the pool with a specially

constructed apparatus during the next few months and to break it up into pieces small enough to fit into Soviet-built transport containers.

At the same time, remote handling devices must be used to pump 70,000 liters of liquid, plutonium-containing radioactive waste and to transfer it to a new collecting pool—an adventure with an uncertain ending: should the plutonium concentration of the liquid be greater than expected, this could lead to the formation of critical masses which could explode in sudden chain reactions; radiation contamination of the surrounding area would be inevitable.

"Nobody knows," fears Zpevacek, "whether the stuff will blow up in our faces; it will be done anyway." Many of his colleagues share these worries. The daring procedure for disposing of the radioactive waste from the Stone Age of East European nuclear technology is only one of the many dangers confronting thousands of nuclear power employees of the country.

Blinded by ideological delusions of grandeur and blindly believing in salvation from energy production derived from the split atom, the former communist rulers equipped the small country in the heart of Europe with an oversized nuclear industry, whose technological and economic risks have until now been underestimated even by Western critics. The nuclear heirloom of the Communist Party dictatorship, warns Ladislav Zachar, who until 1985 was in charge of safety for the Czech CES power kombinat, "could turn our country into a disaster area."

With eight active Soviet-type WWER 440 reactors in Bohunice and in Dukovany, Moravia, the CSFR's power supply derives even now from nuclear power plants at a 25 percent rate. Another four nuclear power plants of the 440 megawatt class are nearing completion in Mochovce in southern Slovakia; in Temelin, Bohemia, near the Austrian border, the cooling towers for yet another four 1000 megawatt reactors are reaching into the sky.

Contrary to the practice in other former Soviet satellite states, the communist regime had 80 percent of the power plant components built in their own country under Soviet license, at the mammoth Skoda plant. Altogether the nuclear industry of this country with a population of 16-million employs about 30,000 people.

Protests against the big nuclear construction program have primarily originated in nuclear-energy-free Austria. Less than 100 kilometers separate the megalopolis of Vienna from the eight active reactors. Should there be, for instance, an uncontrollable accident in one of the four Dukovany reactors, the Viennese, faced with a northwest wind of average speed, would have only about 6 hours' notice to flee from the radioactive cloud, according to calculations by an international group of scientists in 1987.

Critics are particularly worried about obsolete Soviet reactor technology. None of the reactors now in service

has a containment which in a big accident could hold back the high-pressure radioactive steam. According to the group of experts, the emergency cooling systems of two of the older atomic piles are "rudimentary at best."

For this reason Vienna's Environmental Minister, Marilies Flemming, has several times pleaded in Prague with the revolutionary government of poet-president, Vaclav Havel, to reverse its nuclear policies.

Last Tuesday the minister once again appealed to the CSFR government to close down the Jaslovske Bohunice nuclear power plant, which is situated close to the Austrian border. Inasmuch as the former head of the Czechoslovak Atomic Energy Commission, Jiri Beranek, had expressed serious reservations about the continued operation of that nuclear power plant, she said, it would be irresponsible not to close those reactors down.

Austrian Greenpeace activists staged a symbolic occupation of the building site in Temelin with the intention of mobilizing the population for the fight against nuclear dangers. Such politicians as Upper Austria's Governor Ratzenboeck even planned to incite the neighbors to sort of a "groundswell revolution" to put a halt to the nuclear program.

But, to date, this has caused little change in the construction and operation of the Czechoslovak reactors. Instead, the hard-pressed leadership of the powerful nuclear sector called for help from the international nuclear community: on several occasions, an Osart (Operational Safety Review Team) from the International Atomic Energy Organization, which has been active in the West also, traveled to Dukovany and to the Temelin construction site, and certified that the crews employed there demonstrated an "extraordinarily responsible attitude." According to the official CTK [Czechoslovak News Agency] news agency, Austrian objections amounted only to "mystification," the critics were "incompetent" and "misinformed."

But the Austrians have good reason to worry. Internal reports of the National Commission for Atomic Energy indicate that in the nuclear facilities the operators are no longer able to cope with the unsolved technological problems.

Severe deficiencies are regularly surfacing even during the construction phase of the facilities. The commission noted that, during the past year at the Mochovce construction site

- "The investor could not determine the volume of production and its storage."
- Components were accepted without quality control.
- Technical data furnished by contractors "were not borne out by actual facts."
- The automatic pilot system was "constantly under development" and its components were "not tested under conditions which were at least partially compatible with actual conditions."

Deficiencies of this kind, confirms nuclear energy engineer Zachar, "have been around since nuclear power plants were first built in our country." Until he was fired in 1985, he kept on arguing for an independent control system at the nuclear power bases—in vain. Says Zachar: "Outside of the factory there is in effect no such thing as quality control."

There is similar chaos in the operation of the active plants. During the past year the commission noted a total of 364 violations in the eight reactors. What all the plants have in common is the fact that the crews cannot depend upon the electronic automatic control system. Occasionally individual switches malfunction; at other times false alarms keep the reactor operators in suspense; once, last April, in block II of Dukovany, the entire memory bank of the mainframe computer crashed.

Frightening conditions exist in Jaslovske Bohunice, more than elsewhere. There, 60 km northeast of Vienna, the Czechoslovak power plant workers twice escaped a major catastrophe during the 1970's.

In the spring of 1976 they brought a domestically built, gas-cooled "A-1" prototype reactor to the edge of a meltdown. At that time, the cover of a fuel element channel came loose under full pressure; the ejected fuel cassette killed one worker; two others choked to death in the hot gases. The region was saved from a Chernobyl-like radiation disaster only by the heroic act of a worker, who, within a few minutes, temporarily closed the open channel by using a reloading machine.

Twelve months later, the crew ignored the temperature readings from the reactor core; some fuel elements melted, all pump and channel systems were damaged and became radioactive.

The accidents and the improper storage of radioactive waste are still contaminating the power plant area and the soil below it. Members of the local surveillance authority reported in NUCLEONICS WEEK that they found up to 24,000 Becquerel of tritium in the ground water and, in the soil around the plant, more than 2 million Becquerel cesium per kilo of soil—10 times the maximum permissible reading in the FRG.

Adjacent to the shut-down Adventure reactor, two blocks, named "V 1" and "V 2," with two water pressure reactors each, are operating; they date from the earliest times of East European nuclear technology.

"V 1," a clone of the now shut down piles in Greifswald, East Germany, which are considered to be extremely hazardous, is "the weakest link of Czechoslovak nuclear energy," in the words of Prague's Atomic Energy Commission.

That is an understatement: in fact, the main cooling lines of these facilities must never spring a leak. The two reactor pressure vessels, surrounded by only a thin concrete shell, are located within about 25 meters of each

other, inside a lightweight construction shed, suitable for nothing but simple storage use.

In a joint report by the Comecon surveillance authorities in 1989, it was said that all it would take was a hole measuring 10 cm across in the pipes to break up the concrete cells surrounding the pipes and pumps of the cooling system and to release radioactive steam into the air. However, only the main pipes of the six cooling systems are 50 cm thick. If any one of these pipelines were to be destroyed, thus causing a one-meter diameter hole (a "2 F-break"), all the crew could do would be to flee for safety; a meltdown would be unavoidable.

It is probable that a much smaller leak could lead to an uncontrollable accident. As they had done in Greifswald, the designers had underestimated the problem of brittleness in the steel walls of the pressure tanks and of the connecting sockets due to neutron bombardment during atom splitting. The monitors in Prague know practically nothing about the actual condition of the plant.

In a report to the government, it is said that, due to "technologically limited monitoring opportunities, assessing the extent of damage to materials is not feasible; therefore, life expectancy cannot be estimated." Considering the "V 1"'s 10-year-old tanks, declared a spokesman for the Atomic Energy Commission, it could be assumed that they had become as brittle as those in the Greifswald reactors. Should that be the case, says Hanover materials testing expert Ilse Tweer, who had already inspected the Greifswald tanks, "then any cooling emergency, even with small leaks, could lead to catastrophe."

The materials expert knows that the brittle steel would tear at exactly the moment when the reactor is confronted with a meltdown threat—when emergency cooling is used, which abruptly counteracts the temperature in the tank with cold water.

These deficiencies appear even more worrisome in view of everyday occurrences in "V 1," as described by the supervising agency in its last two annual reports:

- During the annual maintenance operations, the crew noted cracks of a depth of several millimeters in seven out of the 12 pipe linkages in Block 1 and in six linkages in Block 2, which were "taken care of simply by grinding down and soldering."
- On several occasions, based on the motto "no megawatt, no bonus," according to a crew member the operations supervisors disabled the automatic rapid shut-down system, so as to be able to continue operations despite the failure of some components.
- On two occasions, during May and July 1989, the cables of a main circulating pump burned out; the reactor continued operating for several weeks with the remaining pumps. There was no effort to determine the cause of the short circuit.
- At midnight on 5 June another short circuit caused a fire in a cable room in the turbine hall of the first reactor block; it took 14 minutes after the first alarm

to find the source of the fire in one of the cable shafts—and only then did the shift boss give the order for quick shutdown.

The fact that the fire did not spread to other cable shafts and put all vital systems out of action as, had been the case in the near meltdown in Greifswald, was, in the terse statement by the accident investigating commission, "due to clear access to the source of the fire and the self-sacrificing devotion of the firefighters."

In addition to all that, geologists had warned the power-plant operators years ago that the location of the "V 1" was adjacent to an earthquake zone which had been detected hundreds of years ago. Nevertheless, a government report states that the subsequently installed sensor system for rapid shutdown after earth tremors was "undependable, unsuitable and incompatible with the other safety systems of the reactor." In view of devastating judgments of that sort, former safety chief Zachar says that "there is but one solution: 'V 1' must finally be shut down for good."

But that is exactly what the nuclear strategists of the former energy ministry, now subordinate to the new minister of economics, Vladimir Dlouhy, are trying to prevent to the best of their ability. Vaclav Urbanek, director of the ministry's nuclear department, makes promises such as "the risks could be made acceptable with reconstruction measures."

"Reheating" of the welding seams of the pressure tanks is supposed to even rehabilitate the brittle steel—a method condemned as unsuitable in the Greifswald case by experts from the FRG Reactor Safety Society.

"The worst of all this," complains Michael Undorf, leader of the Greenpeace campaign against Czechoslovak nuclear dangers, "is the fact that the population is not really being informed about it." According to Undorf, "all energy policies remain firmly under the control of the old apparatus; the new government is not changing a thing about this."

No doubt about it, that government is faced with an almost unsolvable dilemma; the old rulers left their inexperienced successors facing an energy policy disaster area. After the billions spent for nuclear expansion, hardly anything was left for modernizing the totally obsolete, highly uneconomical soft-coal power plants in Northern Bohemia and Moravia. The highly sulfur-containing waste gas plumes poisoned humans and nature; hit by an annual average of 2.8 million long tons of sulfur dioxide, almost one-third of the country has turned into an acid wasteland.

The new rulers are therefore glad about every ton of coal that is not burned. A spokesman for the prime minister told his Vienna critics that there was "unfortunately no alternative" to nuclear energy.

Continuation of the nuclear energy program would however lead the CSFR's economy into ruin also. Back in

1988, the Prognosis Institute of the Prague Academy of Sciences warned that "replacing coal with nuclear energy is no solution," at least for the long term. On the contrary, the program would, "according to economic experts, hamstring structural economic changes." In actual costs, they continued, the construction of domestic nuclear facilities was costing two to three times as much as in Western countries.

Reality has long since proved the wisdom of those issuing the warnings. In all the planning to date, there has been no calculation whatever of the costs of nuclear waste disposal and of the demolition of shut-down reactors. A spokesman for the Atomic Energy Commission estimates that "expenditures at least as great as those used for construction" would have to be added.

Contrary to contractual agreements, the USSR has to date failed to remove a single burned out fuel element from the Czechoslovak water pressure reactors. Since early this year, the former partners have demanded in addition that payment for removal of radioactive waste be made in dollars, which, according to nuclear chief Urbanek, "we are of course unable to do." In June, the newly elected government of the Russian Soviet Republic even announced that soon it would no longer permit foreign radioactive waste to enter at all, since there was no possibility of providing secure final disposal. Sooner or later, Urbanek will, therefore, have to launch a project costing billions for such storage in his own country.

At the same time, the two nuclear complexes currently under construction eat up several million crowns daily; nobody knows whether there will ever be a return on this investment.

The first two blocks in Mochovce were supposed to have come on line long ago. However, the instrumentation and control system newly developed for this plant impressed even the hardened supervisors in Prague as being so unreliable that they demanded a comprehensive reexamination and reinstallation. It may happen, according to a ministry spokesman, that the complete system may have to be purchased for several hundred million marks from Western manufacturers.

The Temelin project threatens to become even more expensive. Even now, those in charge of the construction site measuring 300 hectares figure on a cost overrun of at least DM1 billion for the first two blocks, because the Soviet guidance system will have to be replaced with one from the West.

It remains an open question, whether the reactors will ever be put into operation at all, because the Soviet designers had made mistakes in calculating the nuclear technological base data: under certain conditions, an uncontrolled acceleration of the chain reaction could occur in the reactor.

The Prague Atomic Energy Commission warns that experience with comparable atomic piles in the USSR

"confirms that their operation is difficult to control, making it extremely unstable." Control therefore depends upon "the training and psychological resistance" of the reactor crew. Nobody can tell at this time whether, and at what cost, a new construction of the nuclear zone currently being built is possible.

It is even less clear where the money will come from to finance all of that. Former atomic engineer Zachar, recently named chairman of the Energy Committee in Havel's Citizens' Forum, thinks that "only the Western countries can help us out of the energy tragedy."

During the past few months, visitors to Prague's energy ministry included representatives from Siemens, Westinghouse and General Electric, as well as of the French Government's CEA [Commissariat a l'Energie Atomique] holding corporation, who are smelling the fresh wind from the East for signs of replacement part business for their bogged down nuclear energy departments. "Offers," Urbanek reports proudly, we have from all of them.

However, the only firm proposal has to date come from the government in Vienna. Austria, according to an offer by Minister of the Economy Wolfgang Schuessel, is prepared to invest 12 billion schillings in environment-friendly power generation on the other side of the border.

That has not to date changed the course of Prague's nuclear energy program. In their most recent report to the government, the experts of the Atomic Energy Commission wrote that they would quickly launch the compilation of an information system, so as to "counter the unfounded misgivings directed against Czechoslovak nuclear energy."

POLAND

Presidential-Parliamentary System Advocated as Constitutional Basis

90EP0811A Warsaw ZYCIE WARSZAWY in Polish
9 Jul 90 p 3

[Article by Kazimierz Michal Ujazdowski: "Against the Extremes"]

[Text] (Editorial Note: Establishing a new constitution will not improve our economic situation overnight, it will not make our pocketbooks fatter, but it will give us all a feeling that we have put the final seal on changes in our country, a feeling of complete severance from the communist system. A constitution will create the legal framework for a new political and economic system. What kind of system will this be? Nothing has been decided yet. The public debate on the constitution is just beginning. ZYCIE also wishes to make its columns available to this debate. We want to call upon distinguished politicians and scholars to express their opinions. There are many topics for discussion: What kind of parliament should we have? How much power should

the president have? How much power should the government have? What about ownership matters? What will we do about such concepts as, e.g., social justice? Where do we draw the line between laws and citizens' freedoms? What do we owe the state and what does it owe us? There are more such questions. We begin with political problems, which arouse the most social emotion today.)

The most important item in the debate on how the constitution should be shaped is the problem of the state's political system. In statements made by scholars, journalists, and politicians, a citizens state is associated very often with one model of a political system, the model of the parliamentary system. "Our cultural and political tradition," said Prof. Pawel Sarnecki, "shows a clear tendency to perceive the Sejm as the only representative organ, the only element authorized to quote the will of the nation." Parliamentary governments, i.e., those in which the supremacy of the parliament has been legally decreed, are, in the understanding of their advocates, most fully reflective of political freedom.

Is the system of parliamentary governments the only one in which society obtains full political rights? No. A citizens state does not have to assume such a form of government. Within its framework we find two basic models of political systems: a presidential system and a parliamentary system.

A classic example of the first of these systems is the United States. The essence of the presidential system is the total separation of the executive authority and the legislative authority. The strong position of the head of state is characteristic of this system. A president, elected directly by the people, exercises indivisible executive authority and stands at the head of the government. The voters, in electing the president, at the same time decide what the executive cabinet will be like. The government is not politically accountable to parliament. Parliament, in turn, has full legislative authority. It decides, almost indivisibly, what the legal order will be.

It is different in the system of parliamentary governments (also called parliamentary democracies). Here the legislative authority is very strongly connected with the executive authority. The state is governed and directed by the political force which has the current majority in parliament. The head of state (monarch or president) performs only a representational function. At the same time, the lawmaking role of parliament is diminished. Most of the legislative work is actually done by the government. The stronger its support in the representative organ, the stronger its position in parliament. The classic example of parliamentary governments is the system in Great Britain.

The choice of a political system is a choice of values. I do not believe that a parliamentary democracy is the political system which offers the greatest freedoms. But the fact of the matter is that whether we choose one system and not another, must we do this in the name of one

value, in the name of political freedom. I do not believe this method of thinking is correct. The form of the Republic's political system must be an expression of a compromise between freedom, the influence of the nation on state policy, and concern about the stability and efficiency of the state body. Let us say clearly that the stability and efficiency of the state authority are also positive values. An unstable state body is not able to protect either the rights or the interests of the nation.

Do parliamentary governments best reconcile political freedom with a state's stability? Historical experience does not allow one to be optimistic. Parliamentary governments do not function well when the political system is "scattered." It is not difficult to cite indisputably negative examples on this point: Poland during the period 1922-26, or the political practices of the French Fourth Republic. Parliamentary democracy is good when we are dealing with a two-party system. The situation in Poland is qualitatively different. A multi-party system is developing. Nothing indicates that there will be a substantive change in the present state of affairs until the elections to parliament take place. Especially now, when the belief has been fostered—regardless of its correctness, that proportionality, i.e., an election system that also gives a chance to the "smaller" parties, best conforms with the principles of a modern state.

In order to reconcile political freedoms with the stability of the state body, we should go beyond the orthodoxy of the parliamentary governments. The Republic's political system should be the result of a compromise between presidentialism and parliamentarianism.

The purely presidential system originated in America. Where the party system is fluid, a complete separation of the executive authority from the legislative may bring about an effect exactly opposite of that which is intended. Stability is not a permanent value. We must not go from one extreme to another. The optimal solution seems to be a system which can be described as "presidential-parliamentary." In this system, the head of state, elected in universal and direct elections, in a way independent of parliament, would be a representative of the entire nation, all its citizens, and not just a spokesman for the current majority in the parliament. The president, whose term should be longer than the parliamentary term (six to seven years), should fulfill the role of a stabilizing element in the state body and should be autonomous in relation to parliamentary fluctuations.

Therefore, the head of state must be something more than a representational or inspirational institution. The head of state must have an influence on the executive authority. I repeat, it is not a matter of the function of governing, but of an influence which promotes stability to counter too-frequent changes in government.

It is essential that the authority of the head of state be enhanced for still another reason. I believe that the most

important fields, from the standpoint of Poland's reasons of state, are foreign and defense policy. Attentiveness to the continuity and efficiency of authority is extremely important. Constant changes in the persons conducting foreign policy will not react favorably on the international position of the Polish state. That is why I also believe that the president, following the French model, should obtain a large influence on these two fields, free from the changes taking place in parliament. A country located at this point in Europe should be vigilant as to the legal conditions which are conducive to stable and consistent foreign policy.

In the presidential-parliamentary system, the parliament ceases to be a "superior organ," but its position in the political system continues to be large. The Sejm, chosen in free and proportional elections, would become an expression of the diversities in public opinion and political tendencies. Parliament, together with the head of state, would appoint the executive cabinet, thereby determining its composition. It would have oversight functions in relation to the executive cabinet. I believe also that the presidential-parliamentary model is not associated with such far-reaching "governmentalization" of the legislature as is found in the parliamentary-democracy system. The farther from purely parliamentary governments and the farther from the system in which maximum authority is concentrated in the hands of the premier (who is the leader of the governing party), the greater is the law-making significance of parliament.

Walesa's Detrimental Qualities Viewed in Light of Presidential Run

90EP0775A Krakow TYGODNIK POWSZECHNY
in Polish No 27, 8 Jul 90 pp 1, 9

[Article by Tadeusz Chrzanowski: "Walesa—Presidency—Democracy"]

[Excerpt] [passage omitted] But now *ad rem*, because somehow no one seems able to give a clear and concrete answer: Is Walesa our best candidate for the presidency?

I will respond clearly and plainly. My conviction is: NO. First of all because I see him personally as a leader, even as a champion of the people, in a great political-social movement entitled "Solidarity," but not as a chief of state who, depending on what type of constitution is adopted, will have to either govern or be representative. And I would go so far as to say that Walesa does not have the competence to do either for, in order to govern, one has to have some conception of economics, of diplomacy, of social sciences. Professionals do not settle everything for the chief, especially not if someone shuffles after them on the nation's chessboard—not so much as if they were the chess figures but as if they were the pawns. And as far as representation is concerned, the leader [Walesa] is not the best suited.

But what I have written does not mean that I am decidedly and *a priori* against Walesa's candidacy, especially since it is not I, but the people who will elect

directly or indirectly; and with the people, Lech is still very popular. Besides, I do not see any likely opposition candidates, which obviously means that I see Mazowiecki, but I feel a little sorry for him; as a premier, he was very good, so why should we replace him. At the same time, Walesa's election would mean undermining the status of the premier, which seems to be an even worse situation. I could name yet another two or three men, but why, there's no point in playing at reading tea leaves.

So Walesa's candidacy remains a real prospect and we must consider what is good and what is bad about this candidacy.

When we consider the positive sides of this candidacy, we must emphasize the popularity that was already mentioned and, what is exceptionally important, not only in this country. The whole world knows Walesa, and it is very good that the whole world sees him in a very good light. Second, Walesa has a so-called gift of God, a natural political instinct. It sometimes happens with champions of the people that suddenly they appear from somewhere and attain an unexpected great popularity and increase this popularity by the cogency of their moves. Undoubtedly, during 1980-81, Walesa became such a champion, and, during 1988-90, he played the role of a gray eminence and, simultaneously, of a representative of the Poles. Actually it is largely due to him that boundtable and the parliamentary shake-up happened, and this brought about a Sejm majority and resulted in Tadeusz Mazowiecki's government. Finally, Walesa is a man wholly honest, an "upright" man. And these are three minimal, but very important characteristics of the personality of a leader which do put him in the class as a candidate for the presidency.

Let us consider now the arguments against his candidacy.

As a basis for everything that might be said later lies a matter that is nevertheless natural to popular psychology, which the father of the Soviet Union called "the dizziness of success." One must have exceptional fortitude of spirit, intellectual resistance, and honesty in self-analysis to be able to leap over such highly placed crossbars of success. In Walesa's position, which means most of all the position of a champion of the people who was successful, almost anyone would suffer from dizziness, would believe that he had immeasurable charisma and, what is worse, would believe the toadies, most of whom are people who, thanks to the champion, would like to advance their own political ambitions. Strong individuals do not gather other strong individuals around themselves; they spurn them, preferring a subservient and flattering docility.

Half, or even more, of Walesa's success during the past years was due to the fact that he drew to himself excellent advisors and had consideration for their opinions. Finally, it seems that he abandoned all the wise advisors and a negative, natural selection surrounded him with a group of hired applauders instead of a brain trust.

Walesa is aware of this consciously or subconsciously and tries to understand it as a peculiar "betrayal of clerks," forgetting that no one betrayed him, that advisors serve as long as they are needed and to the extent that they are listened to. Walesa's unpleasant attack, smacking of latter-day "Gomulkaism," against the intellectuals in the Oliva hall, which met with a somewhat mild reprimand by Malachowski, is irrefutable evidence of this state of his mind and consciousness.

As far as charisma is concerned, I really do not at all believe in such transcendental gifts, but I am certain of one thing, they are here today and gone tomorrow. They are not a constant! Parodying still another hero, of the late (thank God) Utopia, charismatics come and go, but the people remain. And only they count, not charisma, nor ambitions, nor visions of laurel wreaths, etc.

Walesa speaks often, at meetings he frequently conducts a kind of narration. In this narration, the following elements form more than a minor and, in the end, an important stylistic feature of this rhetoric: a) ease of contradicting himself; b) putting forth populist slogans, that is, without any kind of basis; and c) inclination toward personal intrigue, to placing people above affairs. At the same time, partly in the sphere of stylistics and partly in psychology, there is a decided overuse of the word, "I," and, what is worse, speaking of himself in the third person: "Walesa promises you...." etc. This verbal egotism is a further underscoring of his faith in his own mission.

Walesa, nevertheless, also believed (and why should he not believe since this belief took in all of the Lech people) that it is enough to know the formula of an incantation and everything will be O.K.: we will come up with another Japan, a third South Korea and a fourth Cameroon (at least as far as soccer is concerned). Here, he has clearly gone beyond the limits of political competence, and if Walesa wants to be a politician, and it seems that suddenly he is not interested in trade unions, then he should know that a politician does not cast his words to the wind, that politician-orators rarely merited laurels with Mistress History, that to be a politician means to value and respect oneself because everything that one says in this profession will be remembered.

The first example at random: for a long time magical words have been bandied about among the people, and the stranger their source, the more magical they are. Most recently, such a key word is pluralism; no one stops to consider its real meaning, but it occurs very frequently in the babble.

Thus, democracy is pluralism and pluralism means, no more and no less, only that there is no police regulation against having one's own convictions. Pluralism is not a little political machine, whereby we will begin work right away, and, one, two, three, we will create pluralism in Poland. So parties and little parties are played with, but mostly the unfailing philosophy of Kala is applied,

whereby pluralism is us, and who is against us is not a pluralist only a wretched schemer, dissenter, in general, a traitor and poisoner.

The practical "implementation of pluralism" today means dividing those who have any kind of views (at the Vistula, views are always still a surplus), into the right, the left, and the blissful center which settles everything. But there are also among these eccentrics, some who, in this wholly new social and political structure, believe that the old divisions into left, right, and center have become anachronistic, like the warmed-over programs of the party. We must first establish what is on the left and what is on the right, and the measure of "progressiveness" cannot be used here; it is a compass without an arrow. For me, for example, rabid nationalistic groups that promulgate hatred, revenge, etc., are not at all the right, but only the deepest, Black-Hundred reactionary left. I am certain of only one thing that the center should mean moderation. But exactly.

Walesa is a true son of the people who, as I have tried many times to substantiate, is put together from such various clays that in him good and bad, great and small, blends without residue. In Poland, for example, the respect of one person for another is a luxury, recognition and gratitude toward someone who did something for others rides on a dappled horse. I am somewhat atypical, and, therefore, for Walesa I have respect and gratitude, and, if I subject him to criticism here, I do this for his own good and not to harm him. For I simply cannot harm him, but he can harm himself. And how!

But respect and gratitude should be universal and should go both ways. I would very much like to see the leader of Solidarity start thinking in categories other than who might have betrayed him, left him, stopped being useful, but also the reverse. Politics is also the art of playing, as much as possible, with clean cards. Therefore one must not, simply must not play with people according to one's whim, and even more so, according to rumors and slanders. On our black and red chess board, there are no figures and no pawns, but simply people.

And what kind of people? Well, really, actually very Polish people, which means most various. The Third Republic is being born and formed amidst immeasurable difficulties and suffering. As we might have foreseen, a multitude of people threw themselves into this birthing and education, some simply because they depend on this country since it is their country and will be the country of their children and grandchildren, and others, because an opportunity to "govern" appeared. We, here on the banks of the Vistula, have multitudes of people who have two left hands when it comes to work, but in both of them, they hold staffs of office. The candidates for being leaders, commanders, directors, marshals, premiers, presidents, managers, and stewards are hungry. One gets goose bumps when one sees this potential, uncontrollably greedy bureaucracy. They would have liked to have occupied the still warm positions after the PZPR [Polish United Workers Party] bureaucracy and keeping talking

about it. But I think that I have absolutely nothing to be grateful to the Communists for and that my greatest holiday, everyday holiday, is the fact that the devils of history raked them up into the rubbish heap. But I belong to the small number who are decidedly opposed to witch hunts and I believe that every specialist should be appropriately put to work at this time.

In my simple mind there is only one measure, how can this person or that person be useful in the new Poland? For me, the first and basic question pertains to qualification and competence. Today, this is a commodity worth its weight in gold. Now we have supplies in the shops greater than ever in the last 40 years, but qualifications and competence continue to be generally lacking. And this pertains to competence on the large scale of social needs, from the shovel to the ministerial briefcase.

Mazowiecki created a masterpiece. Putting together a government burdened with certain obligations emanating from past agreements, he managed to include in it predominantly good people and, in some cases, simply first-rate people (Skubiszewski, Balcerowicz). Attempts to overthrow such a government are simply harmful efforts. Walesa reflected on this, but I do not know for how long. Perhaps he was maneuvered into a blind alley by those with an appetite for new power, but this is not an excuse. A politician should not maneuver himself or allow himself to be maneuvered into a blind alley.

Conclusion: I am convinced that Walesa should stay where he is, and Providence has, so to speak, indicated the place: in Solidarity. And at the same time, he should think through its future formula: a trade union? a social movement? Or perhaps something else?

And how this looks with the accelerated elections, we in Krakow know very well. The case has already been dispatched to the rubbish heap or history, but it is worth recalling for the sake of a lesson. It was resolved (by local Solidarity citizens committees) that the president of the city must be immediately replaced without waiting for self-government elections. A gigantic campaign was set up therefore (why? for whom? for several dozen councilors from the old bureaucracy for they were the electorate), but....this bureaucracy elected the opposing candidate! And everyone can see what is happening today with the newly elected Council.

Is it necessary to cite the reasons one more time? For the love of God, fellow Poles, think! We must first elect a genuine parliament and vote on the constitution, and it is my conviction that this should be preceded by a nationwide discussion and perhaps even a referendum pertaining to the form of the future state, including the functions of the president: governing or representation. We must prepare the ground before we undertake elections for candidates.

So, to work; time is passing relentlessly, there can never be enough education. The leader has merit and undoubtedly qualities of heart and mind. But sincere intentions are too little for the presidency, and service and values

are only capital. And only pensioners can live on inactive capital. And that, only in countries with a very developed, extremely well developed capitalism.

P.S. I sent the text above to TYGODNIK POWSZECHNY on 15 June. Since then a series of subsequent events has occurred which, nevertheless, seem to support completely the diagnosis contained in my article.

Bishop Orszulik on Position of Church, Solidarity Split

90EP0777A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 27, 8 Jul 90 pp 1, 6

[Interview with Bishop Alojzy Orszulik, under secretary in the Polish Episcopate, by Ryszarda Socha; place and date not given: "Beyond Division"]

[Excerpt] [passage omitted] [Socha] Studies by the Public Opinion Research Center [CBOS] have shown that in May the decline in the public mood was clearer than in previous months. Once again the Sejm and Senate lost several points. Declared approval of Solidarity decreased. Indeed, the church now occupies the highest and most stable position. In personal appraisals, Cardinal Primate Glemp moved ahead of Premier Mazowiecki. What are the implications of this state of affairs for the church?

[Orszulik] The church's position must remain the church's position. This tautology means that the church cannot move into what we call politics, but rather what leads into participation in government. The church is often accused of aiming for a covert dictatorship. That is not true. From the moment when representatives of the episcopate undertook to some degree to restore a partner in dialog in the form of the public side, the church withdraws to the position of moral and religious authority that is most appropriate for it.

[Socha] The ideal. The practice looks otherwise. I myself was a witness to a local election campaign conducted at the doors of a church. And, as recently as April, France Presse agency reported that Gen. Jaruzelski backed off from his resignation from the presidency because of the intervention of the church, which preferred to keep Lech Walesa in reserve in case of a dangerous increase in public dissatisfaction.

[Orszulik] The church cannot express such a position. Certain people from the church may have expressed it, but that is not the church's position.

[Socha] Another example. Jaroslaw Kaczynski, representing the Center Accord and talking about Lech Walesa's candidacy for president, referred to conversations and encouragement on the part of church representatives.

[Orszulik] We denied that information officially. It would have been an attempt to influence political decisions. The church does not want that, because it has to

work in all systems and political conditions. It cannot be associated with any party or with specific people who, after all, change. The church must remain above all divisions, remembering its own transcendent dimension, not only its earthly one. Something else again is a certain, shall we say, warmth, a good feeling if someone's action, someone's goals coincide with those the church is implementing. But this does not mean influencing political decisions. On the other hand, the right to evaluate political facts from a moral perspective is vested in the church. If a law on abortion exists, the church will be against it; it will not be silent.

[Socha] I would like to put to you a personal political experience. How do you view something which we conventionally call the struggle between Solidarity's moderate right and moderate left over influence in the citizens committees, over symbols?

[Orszulik] I see this phenomenon as rather natural. I see no threat whatsoever.

[Socha] Certainly Lech Walesa is the one person in Poland capable of initiating the building of a truly multiparty system. But are his presidential aspirations and tendency toward autocracy not a threat?

[Orszulik] Maybe there is some of that autocracy in Walesa, but at the same time I know him well from participation in discussions as man of dialog, a politician who knows how to find compromise solutions. I believe that until stronger political parties emerge, our democracy will be very fragile. Hence, I suggested to Lech Walesa that he create a party and stand at its head.

[Socha] The Center Accord, seen as the presidential party of Lech Walesa, does not fulfill expectations?

[Orszulik] I have only read the first version of the Center Accord's program. It was hard for me to concur with all of its points. In my opinion, what is needed is a strong party, focused around an authority acknowledged throughout the world. Then other groups will form in opposition to it. Besides, Lech Walesa, in creating such a party, would win for himself a position as a politician, not only a union member, in public life.

[Socha] Your Excellency, is it not a paradox that the Polish church owes its high standing in public life, to a good extent, to the system of real socialism, to the fact that this system more or less hindered the church's authority. It consolidated its opponent.

[Orszulik] On one hand, among the people who were in opposition to the system, that situation strengthened the church's authority. But on the other hand, that system corrupted all of society. We can see the result every day: theft, waste, passivity, the number of divorces, the scale of abortion, etc. Throughout the entire period of communism, the church did not cease its activity; it preached principles and brought them to mind. Yet society was more sensitive to critical comments about the system than to hearing moral principles. The effectiveness of

our work was paralyzed. An even greater distance between life and faith followed. And now much time will pass before we will be able to change this.

[Socha] Western societies, which we set as our model today, are laicized to a significant degree.

[Orszulik] I think a certain degree of laicization will penetrate into Poland, as many other things have penetrated. But it will never be the same as in the West. Polish society has a different history, a different mentality and it is bound to tradition.

New Periodicals on Market Reviewed

90EP0813A Warsaw *POLITYKA* in Polish No 30,
28 Jul 90 p 15

[Articles by W.W., Z.P., and M. J.: "More To Read"]

[Text] Although the general condition of the press is not the best, we observe interesting happenings on the publishing market. Below we present three periodicals of which one is totally new and the other two began to be published in a new form.

POLITYKA POLSKA [Polish Politics]—The underground, illegal *POLITYKA POLSKA* had been published since 1982, and now it has come out into the open. Its first issue has just appeared on the newsstands. Its emergence to the surface is accompanied not only by a change in frequency of publication (now a "regular" monthly, formerly an "irregular" quarterly) but also by an evolution of its credo from a hermetically rightist one to an open one. "*POLITYKA POLSKA*," we read, "is ceasing to be the organ of any party, grouping, or even constituency. Our ambition is to make this monthly a supra- or perhaps rather inter-constituency periodical, the periodical of a broad and, properly speaking, still nascent ideological and political orientation."

As to what orientation, we do not yet know accurately, but indeed the openness of this periodical is emphasized already in its first issue. The listed members of the editorial board and editorial team include Aleksander Hall, Pawel Hertz, Stefan Kisielewski, Bogumil Luft, Bronislaw Lagowski, Tomasz Lubienski, Krzysztof Metrak, Janusz Reiter, Stanislaw Stomma, Andrzej Walicki, and Roman Wapinski. The editor in chief and publisher is Marek Gadzala.

The issue is distinguished by its name dropping, along with the broad range of articles by well-known and outstanding writers, and by its sophisticated and poised tone. It includes a report on the poll, "The Polish People's Republic—The Balance Sheet of an Era" (a splendid idea; *POLITYKA* also had conceived it but, although it is a weekly, it lost the race), with the editors including M.F. Rakowski and T. Fiszbach among the respondents.

This periodical is certainly needed on our political scene. Its appearance is to be welcomed. (W.W.)

TEKSTY DRUGIE [Second Texts]—The first TEKSTY, lacking the ordinal number in its title, had appeared in the early 1970's. That was a periodical published by the Polish Academy of Sciences in a small edition (about 2,000 copies) and, of necessity, it was an elitist publication, but even so it had won considerable popularity not only among scholars in Polonistics. As recalled nowadays by its then editor in chief Janusz Slawinski, "Readers were attracted to that periodical by its spirit of skepticism, irreverence, contrariness, relativism.... The opinion that TEKSTY was at the borderline of admissibility and hence risked complications and chicaneries, contributed to the periodical's credibility among its readership."

During the martial-law era TEKSTY had been suspended and subsequently, despite repeated attempts to resurrect it, shut down. At present it is reappearing under a changed name, with a new editor in chief (Ryszard Nycz) and a rejuvenated editorial team, and above all in a completely changed political situation in which the formerly won "credibility" recalled by J. Slawinski is losing its relevance. It has therefore to win a new popularity from scratch.

In its first issue we find many articles and sketches on postwar Polish literature, both that written in this country and that generated by emigres. The authors offer a critical view of the traditional hierarchies and wonder whether the literary periodization to which we have become accustomed is in tune with reality.

Noteworthy is the article by Jan Blonski, "Impotent Reflections of an Old Critic," in which he wonders how he would have written a history of Polish prose during the existence of People's Poland. (Summation: "I wanted to show above all that the political periodization of that era—postwar, socrealism, Gomulka, Moczar, etc., etc.—is not as significant as is commonly assumed and that the underlying, quite sound, development of Polish prose can be summed up in several theses. Perhaps this might save somebody time and trouble.")

In addition, TEKSTY DRUGIE contains "The Polish School of Poetry" (an interview with Czeslaw Milosz by Aleksander Fiut), the article by Edward Balcerzan, "Poetry as Self-Esteem," and another by Michal Glowinski ("Narration, Newspeak, Totalitarian Form," as well as book reviews and feuilletons. (Z.P.)

TYGODNIK LITERACKI [Literary Weekly]—This new literary weekly (subtitled "An Independent Periodical on Cultural Affairs") is appearing on the press market in an unusually complex situation. It is by its nature addressed to an elitist readership, which points to the great courage of the authors of this undertaking. The editors consist of "masters" and their "disciples." The greatest masters are honored with the adjective "Aeropagus" on the list of members of the editorial board (J. Blonski, G. Herling-Grudzinski, A. Miedzyrzedki, J. J. Szczepanski, and R. Przybylski), but the question is whether they will indeed contribute to this periodical

consistently if at all, because in such cases patronage often ends with courteous acceptance of the honor.

For the time being it is difficult to unambiguously determine the level of TYGODNIK, because, after the first four issues, the publication of this weekly was suspended for two months in order to hone its identity. This is a great idea and in this case probably a right one. The program of the founders of the periodical is an ambitious one, to show the intricate contexts of literature and culture in general and against their political, social, and historical backgrounds, as well as to discuss the problem of subcultures. The editors are exploring their own generational road to Europe. An important place is also to be given to promoting the works of genuinely young writers of the generation of the 1960's.

Nevertheless, so far TYGODNIK LITERACKI does not markedly differ from other angry—and often semiprofessional—publications desirous of creating an emancipated and independent model of intellectualism. The four issues published so far contain several interesting articles (along with very poor ones) and a lot of poetry from various eras, and their graphics are quite good. As for the rest, we will have to wait until September. (M.J.)

Poor Recruitment Numbers, Low Pay for Warsaw Police Force Noted

90EP0752A Warsaw *RZECZPOSPOLITA* in Polish
29 Jun 90 p 3

[Report on a press conference and question and answer session by Lt. Col. Michal Kaminski, commandant of the Warsaw police, by Ewa Kazierkiewicz-Widermanska; place and date not given: "A 'Surprise' for the Warsaw Police Force"]

[Text] "The cadre situation of the Warsaw garrison is tragic," stated Lieutenant Colonel Michal Kaminski, commandant of the Warsaw police, during his first press conference. "We are short of approximately 4,500 functionaries, i.e., one-third of all our employees. Since January of this year, 129 people have been admitted to the police force whereas, at the same time, 398 have left."

One of the reasons for such weak recruitment are the still inadequate wages in view of the nature of service performed (a newly admitted police officer without special training receives not much over a million zloty). In addition to this, many of those applying do not fulfill the basic requirements including, among other things, secondary school education, under 35 years of age, a height of over 170 cm, or specific health and occupational qualifications.

"All those interested and willing," continued the commandant, "are assured in addition to, of course, hard work, but also great satisfaction from it, the opportunity to receive training and lodging in workers' apartments and boarding homes and even living quarters for their

families. The MSW [Ministry of Internal Affairs] administration has promised assistance in expanding the housing base. As early as this year, approximately 300 service related apartments will be waiting for genuine, service dedicated policemen. As far as recruitment, the police force has taken to the streets, so to say. Thus, all interested candidates will receive complete information and will have the opportunity to be hired immediately for work, owing to the recruitment campaign beginning on 3 July and continuing for two weeks at the 'Niespodzianka' cafe.

"In addition, from the beginning of July, a two-month course for 200 young police officers will be given in Legionow. The modern training program will include, among other things, computer science, sociology and psychocybernetics."

And what was of interest to the reporter? Here are a few questions and answers:

[Question] When will police arrival time, from the moment they are summoned, be less than several hours?

[Kaminski] This will sound stereotypical but the reason [for late police response] lies not in ill will but the aforementioned cadre and technological shortages. For example, in West Berlin, 1,500 police radio cars cruise around the city 24 hours a day. Here, at home, there are exactly 100 times fewer [of them]. The equipment at the disposal of our police force is at a technological level of 30 years ago. Preliminary talks are being conducted with, among others, Ford and Volvo, the result of which may possibly be new radio cars which appear to be more expensive, but turn out to be much less so in actual use, than, e.g., the Polonez [Polish built automobile]. Thought is also being given to introducing a new type of battery-powered flashlight; new gas as well as rigid police sticks are being tested that would, for example, enable one to smash various obstacles. In any case, we have many good ideas but all of this takes time. We cannot start with computers when the entire organizational structure requires changes.

[Question] Is it true that you intend to lay off several hundred women?

[Kaminski] I once said that for 1,350 ladies employed here with us, there are 700 too many. However, what is at issue here is that, if only for purely physical reasons, a woman is unable to cope with tasks that a policeman must tackle. We are debating right now how to resolve this problem and most likely we will transfer many women to civilian posts.

[Question] What is the recently, widely discussed, so-called Warsaw experiment based on?

[Kaminski] Naturally, this is only a slogan that embodies, as I have said many times already, the shifting of the element of burden of police tasks to the basic unit

which is the police commissariat. The term "experiment" is intended for those unbelieving souls who do not believe in the implementation of our plans.

[Question] The Warsaw police force has been promised a part of the legacy from the MSW. Has the promise been kept?

[Kaminski] We have already received several of the buildings which we are in large part setting aside for police commissariats. However, I cannot say that this turning over of property is proceeding all that easily....

Kashubian Minority Seeks Greater Recognition

90EP0771A Warsaw PRAWO I ZYCIE in Polish
No 25, 23 Jun p 9

[Article by Helena Kowalik: "We Are Not Cepelia: Kashubians Do Not Belong to Poland—They Are Poland"]

[Text] Kashubians received the deputies effusively. But when the guests went to the Tower to admire the lakes, they discreetly evaluated the list of parliamentary representatives. At the end of the visit, Jozef Borzyszkowski, the leader of the Kashubian Pomeranian Union, admitted with relief: "I have confirmed that there is no one in this respectable circle born in Warsaw, which is promising for our affair."

They introduced themselves with dignity.

"Kashubians do not belong to Poland," President Borzyszkowski recalled the words of Father Bernard Sychta, eminent in this area, "they are Poland.... Fidelity to the fatherland and they owe mainly to the Catholic Church and...hatred for Bismarck mothers taught their children together with prayers—being Kashubian, they belong exclusively to God and themselves.

Kashubians were significantly more resistant to Germanization than the Silesians. Very few emigrated to FRG, although they could have taken advantage of conveniences that the West German constitution would provide. They want to live in Poland, but a Poland that respects ethnic individuality. For this reason the ideals of Solidarity are cherished by the Union. The founder of their organization, Lech Badkowski, was a cocreator of the Gdansk Agreement (1980).

They acquainted the deputies with sociological analysis prepared by the Gdansk Scholarly Society. Such studies had not been conducted in this region for 80 years. Many arresting facts were brought to light.

The Kashubians are a much larger ethnic group than the public record indicates. Quite likely, formerly the count was significantly lowered. From the actual studies of the Gdansk Scholarly Society, it appears that today approximately 330,000 Kashubians live in Poland (the encyclopedia puts it at 200,000). If we add those who admit

being Kashubian in spite of the fact that they have trouble using their "native" language, there would be approximately 500,000.

The ethnic language was not universally successfully preserved, but it is so common in the villages that even church services are in Kashubian. During the last Thanksgiving Day, celebrated in Kashubia with the participation of Premier Tadeusz Mazowiecki and Lech Walesa, the epistle in the Mass was read in the local dialect.

For Kashubian activists, this is great satisfaction. For decades they were thrown on their own resources, on their instinct of self-preservation. At one time, the Germans treated them as suspected Poles who were difficult to Germanize. When Poland again came into existence, the new authorities made them feel that they were Germans.

The trauma persisted. Among many of them, a bitter conviction remains that as an ethnic group in Poland, they are invisible. If the press or television sees them, which happens extremely rarely, it is exclusively from a Cepelia-like [chain of Polish stores specializing in various folk objects], folkloristic point of view. Their history is little known in spite of being full of dramatic events.

They find it easiest to gain understanding in the Church. Almost all of the Kashubian intelligentsia, which identifies itself with the region, remains in close cooperation with the priests. The rescue of the Kashubian Peoples' University was successful due to this relationship.

Their list of needs is long, but specific. "We do not feel wronged by Poland," cautioned Bronislaw Ciercki from Chmielna. "This was always Poland and our social problems do not arise from being oppressed by a foreign nation. Usually, like the whole country, we suffered the consequences of implementation of authority by people to whom Polish affairs are foreign. We do not feel that we are different, but our ethnic existence should be introduced not only into geography handbooks, but also into history handbooks."

Almost no one in the country's interior knows of their martyrology during the occupation. In the fall of 1939, before the mass execution in Palmiry, Hitler's forces carried out similar executions in the Piascin and Szpegaw forests. The occupying forces condemned mainly the Kashubian intellectuals to annihilation, strictly according to a previously prepared list. Approximately 20,000 persons were killed. There is not a word about this in the school books. For this reason the Kashubians recalled for the deputies their old saying: "We Kashubians guard the Polish borders, and Warsaw considers this to be nothing."

They regret that central Poland does not remember that the road to the Baltic goes through Kashubian Pomerania. For education and publishers, Poland ends at the Notec River. For no known reason, even today maps still show the Kujawa region enlarged out of all proportion.

Germans are engaged in describing this region. Professor Zbierski, the president of the Gdansk Scholarly Society, who was present at the meeting, showed Oliwa's splendid monograph published in Lubeca. Gdansk past is described by Rich Keyser of Hamburg, known for his revisionist views. Guides for the Remus country, for which one would look in vain in Polish bookstores, are being published in Bremen.

"Meanwhile," Professor Zbierski says, "ten important academic statements of Polish authors about Kashubia lie at our publishing houses for many months with no chance of publication."

And the Polish school does not help maintain ethnic awareness, since teachers frequently ridicule regional speech and customs. Even those born on Kashubian soil behave this way. Zygmunt Szutka noted: "A sick system of advancement drove them to renounce their roots."

They believe that things will be different now. If only they can survive the economic crisis. Their commendable monthly, "Pomerania" is experiencing a financial crisis. Conferences with the minister of culture have yielded no results thus far. When they went to Warsaw to ask for support, Izabella Cywinska told them, "If you don't have the money, then liquidate."

There is some chance that solid information on Kashubia will get into the school books. They have been striving for this for a long time, but only now has the voivodship methodology center become interested in popularizing regionalism. If the work on correcting school programs will proceed efficiently, during the new school year, Feliks Sikora, the local geography teacher, will not have to use Finland as an example of the problem in his lesson on the lake country landscape. He will be able to show the children appropriate views out the window.

President Borzyszkowski predicts: "We will get everything done with patience and persistent work. Without screaming and fireworks, because this is the nature of the Kashubians."

They will try a little harder to open themselves up to their countrymen in the interior. They are not trusting, because for many years they were not tolerated. And admitting to being Kashubian meant placing oneself in a group of second-class citizens. Today they consciously want to change their region into their own small fatherland.

"We can take a shortcut from here to Europe; we are closer to it than others," said Kazimierz Kossak-Glowczewski, half-jokingly, half-seriously.

YUGOSLAVIA

Analysis of Croatian Vote Reveals No Real Winner*90BA0256B Zagreb DANAS in Serbo-Croatian
17 Jul 90 pp 30-31*

[Article by Dr. Mladen Zvonarevic, professor: "Who Actually Won?"]

[Text] Otto Bismarck (1815-98), who was himself a changeable politician (show me one who is not), was also the indisputable author of German unification and creator of the First Reich. He left us an exceptional psychological saying: "The most lying is done before an election, during a war, and after the hunt." Leaving aside for the moment war and the hunt—although Bismarck was completely right even there—I must say that the lies of politicians before an election are an integral part of the "rules of the game" of all politicians in all ages. Certainly, the political lies do not stop when the election is over, they continue even afterward, although in amended versions.

When I used the term "election arithmetic" as the subheading of my article, my purpose was to emphasize that arithmetic is a precise science, since numbers speak an unambiguous language. It is different with political psychology, which is only partially a science (scientia), but is largely a skill (ars). As for politics, it is exclusively a skill whereby a certain political grouping takes power, and science and psychology are only the methods used/abused to achieve that goal as quickly and completely as possible.

Political-psychological analysis of any political election—be it the state, the region, the opstina, and so on—is based on three key elements: (1) the electorate, (2) the voters, and (3) the distribution of the seats which the various parties gain by taking part in the election.

The electorate is made up of all citizens on the voters' lists, i.e., all those who have the right, but not the obligation, to take part in the election. In some states (Greece, Belgium, and so on), all registered voters are required by law to go to the polling place under threat of definite penalty. To be sure, they always have the opportunity to cast an empty ballot or one that has been incorrectly filled out, but that is a different problem. In our country, no one requires citizens to vote by law. In the 1990 elections in SR [Socialist Republic] Croatia, the electorate differed between the Sociopolitical Chamber (DPV), the Chamber of Associated Labor (VUR), and the Chamber of Opstinas (VOS) because citizens with the right to vote are not always registered on all voting

lists; for the VUR, the electorate was made up of only those citizens who are permanently employed or are self-employed.

The voters are those citizens who are registered to vote, that is, they are part of the electorate, but who did not go to polling places, i.e., did not exercise their right to vote [as published]. We usually refer to them as abstainees. However, we should immediately emphasize that these abstainees actually do vote indirectly by their not voting, i.e., they are not voting for any of the political parties. We should also add to these abstainees those citizens who went to the elections, that is, they did vote, but their ballots were invalidated for one reason or another. There may be a greater or lesser difference between the size of the electorate and the size of the vote, i.e., during an election there may be a greater or smaller number of abstainees and votes invalidated. In the elections we are talking about, the number of abstainees ranged from 19.3 percent in the first round of elections for the DPV to 41.8 percent in the third round for the VUR (see the table).

The distribution of the seats in the Assembly of SR Croatia among the parties who took part in the election is what the politicians are most interested in—perhaps the only thing. That is, this is what determines the offices that go to the deputies and other participation in power and the privileges which it brings. The seats can be distributed basically in two ways: either on the basis of a proportional system, i.e., each party receives the number of seats that is in proportion to the votes it received among the voters or the electorate, or on the basis of various majority systems in which the division into electoral units and districts plays a decisive role. Assuredly, the majority system is by definition biased in favor of those parties which may even receive a minority of the votes, but this does not prevent them from getting a majority of the seats. That was in fact the case in this election.

Two tables based on the official data of the Election Commission of SR Croatia can serve in a specific analysis of the election results to the Assembly of SR Croatia in 1990. The first presents the election results for the Sociopolitical Chamber of the Assembly of SR Croatia (DPV), and the other the results of the election to the Chamber of Associated Labor (VUR). We did not use the results of the election to the Chamber of Opstinas (VOS) for certain technical reasons and other things which are not clear. What is more, in the election to the Chamber of Opstinas there is also a political illogicality in that Lastovo Opstina, for example, with about 700 voters, has one representative in the Chamber, just as do Rijeka, Osijek, and other cities which are incomparably larger in the size of their electorate.

Table for the DPV

	1st Round	2d Round	3d Round	Distribution of Seats
Electorate	3,413,667	1,966,934	171,768	Percent
Parties (in percent)				
HDZ (Croatian Democratic Community)	33.8	32.2	33.9	67.5
League of Communists of Croatia and left-wing parties	24.0	25.5	35.6	22.5
Other parties	22.9	17.3	2.9	10.0
Not voting and invalid ballots	19.3	25.0	27.6	—

Table for the VUR

	1st Round	2d Round	3d Round	Distribution of Seats
Electorate	1,749,149	1,131,261	228,479	Percent
Parties (in percent)				
HDZ	24.1	26.9	19.7	51.8
League of Communists of Croatia and left-wing parties	22.1	32.9	25.0	26.8
Other parties	26.5	6.7	13.5	21.4
Not voting and invalid ballots	27.3	33.5	41.8	—

The figures in the table for the DPV and in the one for the VUR are based on the size of the electorate, i.e., on the number of citizens registered on voting lists and with the right to go to polling places—that is, to vote. The reason for this is very simple: The difference between the electorate and the vote may be so great that the vote is not representative of the electorate. In the previous table, the results are given for all three rounds of the election: the number of citizens registered to vote is indicated (for example, in the first round the electorate numbered 3,413,667 citizens), i.e., the electorate, and then the number of votes which the party in question received in that particular round of the election is given in percentages. To be sure, this table also includes the "abstainees and invalidated votes," so that we can get a correct picture of the disposition of the electorate, i.e., of the disposition of all citizens with the right to vote in SR Croatia.

It can easily be seen from the table that in the first round the HDZ received 33.8 percent of the electorate, or slightly more than one-third. The Croatian LC [League of Communists] and left-wing bloc received 24 percent, that is, slightly less than a fourth of the electorate. In other words, the HDZ was only 9.8 percent greater than the left-wing bloc, but it received 41 seats as against the nine which the left-wing bloc received. This psychopolitical absurdity was certainly facilitated by the anti-democratic election law (similar laws were adopted between the two wars in Yugoslavia by Zivkovic, Jevtic, Stojadinovic, and others). In the second round, the result was mainly similar in that the percentage of the electorate favoring the HDZ dropped 1.6 percent, and that favoring the left-wing bloc rose 1.5 percent. In the third round, the HDZ was defeated, since it received 33.9

percent as against 35.6 percent for the left-wing bloc. However, even though the HDZ received only 33.8 percent of the electorate, it took 67.5 percent of the seats, i.e., twice as many as it earned—and this was, of course, thanks to the undemocratic election law. The "other" parties fared the worst; in spite of getting 22.9 percent of the electorate in the first round and 17.3 percent in the second round, they received only 10 percent of the seats.

It is quite clear to any reader who knows anything about reading statistical tables that in the elections for the VUR the HDZ was defeated in all three rounds of the election (see the table for the VUR). In the first round, the "abstainees" triumphed (27.3 percent), they were followed by the "other parties" and "independent candidates" (26.5 percent), and in third place was the HDZ, which surpassed the left-wing bloc by only two percent of the electorate. In the second and third rounds, the HDZ was defeated by the abstainees and the left-wing bloc, and that was also the case in the third round. Nevertheless, even though it was constantly defeated, the HDZ managed—again thanks to the undemocratic election law—to obtain a majority of the seats, however slim that majority might be (51.8 percent). *Credo quia absurdum est.* [I believe this to be absurd.]

I think that the conclusions to be drawn from the data given become clear in and of themselves. Nevertheless, there is good reason to elaborate them a bit more broadly: that is, definitive conclusions on the course and results of the election in SR Croatia in 1990 will be possible only after an additional number of psychopolitical analyses, which will probably be done in coming months. Here, then, we have presented only those conclusions which are evident to every reader.

When the results of the election are compared to the electorate, it is clearly evident that no party that took part in the election has the political or moral right to speak "in the name of the Croatian people," much less in the name of all citizens of SR Croatia. In view of the fact that the HDZ received only slightly less than one-third of the votes of the electorate, and the Croatian LC and left-wing bloc were only some 10 percentage points of the votes behind and at times the HDZ was even defeated, no party represented in the Assembly of SR Croatia is the representative of a majority of the citizens of SR Croatia. To be sure, the HDZ is persistently asserting that it has all but conquered the "entire Croatian people," but that is based on the well-known motto: "Lie, lie, and lie—some of the lie will stick."

The position of the HDZ, which possesses a large majority of the seats in the Assembly, even though in the elections it received only a minimal majority in the rounds of the election—and in elections to the VUR it was defeated—with its thesis about some kind of "plebiscitary" expression of the people against the constitutional system that SR Croatia has had up until now, has absolutely no right whatsoever to make that assertion, since, if we put things the other way, two-thirds of the electorate are not in favor of the HDZ!

In spite of a large minority of the votes of the electorate, the HDZ received a large majority of the seats (thanks to the election law already mentioned), and it is using that majority in a heedless and brutal manner. It has in actuality created a new one-party system of the HDZ in which the simple raising of the hands of the obedient deputies creates the illusion of an "immense parliamentary majority," which actually does not have the right to call itself a political majority of our republic's electorate.

*** In the two sessions of the Assembly of SR Croatia that have been held up to now, there were two striking things: the effort of the HDZ to decide all questions by simple majority (they did not even count the number of ayes in the vote on the particular proposal of the HDZ, but only the nays and abstentions). What is more, in the amendment of the Constitution of SR Croatia they are insisting above all on abolishing the Chamber of Associated Labor (VUR), since the HDZ was defeated in elections to that chamber. It follows that the position of the working people, i.e., those who are employed, is considerably less predisposed to the HDZ than even that minor success in the elections to the Sociopolitical Chamber (DPV) would show. It seems that the workers and other employed persons have realized that the restoration of capitalism, which the HDZ has been so zealously advocating, brings them nothing good: for the immense majority of people this means unemployment, poverty, and a capitalist boss who is a dictator in his own enterprise.

On the basis of everything we have said, the HDZ, as a minority political party (one-third of the votes of the electorate), does not have the political, legal, and least of all moral right to act in the name of the people of SR Croatia. It undoubtedly follows that it has no right to

amend the present Constitution of SR Croatia on the basis of its majority in the Assembly which it did not deserve to get. The decision on this can be made only by the entire electorate in a plebiscite which will also include those who do not vote, as required by the "rules of the game," by every authentic democratic referendum. Incidentally, if Slobodan Milosevic, who supposedly is "so hated," could go before a referendum in SR Serbia on a much less important issue (than the Constitution or election law), why should this not also be done by Franjo Tudjman, supposedly "loved" in SR Croatia?!

Croatian Official on Constitution, Ethnic Issues

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[Interview with Vladimir Seks, vice president of the Croatian Parliament and chairman of its Constitutional Commission, by Marinko Culic, in Zagreb; date not given: "Thank You for the Star"]

[Text] Vladimir Seks does not put "prior conditions" when he talks to newsmen. He does not ask to be informed what questions will be asked, as some did in the old government, and it is not his habit to write out the answers to questions put in advance, as some are doing even today. "I never even ask to be shown the finished article for approval," he tells us with satisfaction, obviously aware that he is rounding out his image as a good man to talk to among the leaders of the new government. The vice president of the Croatian Assembly, who also heads the Constitutional Commission of the new Croatian Parliament, received us in a large office on the second floor of a building on Radic Square. There are two details in the new office that give the new tenant away: on the wall above Seks' desk, the historical Croatian crest—whereby the chairman of the Constitutional Commission commits a minor constitutional offense, since the amendments on the new crest will be adopted only some 10 days hence—and on another wall a picture of Ante Starcevic, who founded the Party of the Right. The two details, the former directly and the latter indirectly, fit into the topic of the interview which we begin with the question why the Croatian Presidency had held a meeting the day before on the new Croatian Constitution behind closed doors.

[Seks] It is well known that the republic's Presidency adopted a decision at the beginning of the month to undertake the drafting of an entire new Croatian Constitution, and as an authorized sponsor it is also required to draft its basic premises. It is quite understandable that an altogether finished position on this matter could not be presented in the first meeting. There were differing opinions from a broad range of participants—aside from members of the Presidency, the meeting was also attended by representatives of the Croatian Assembly and government—so that it would not be a good time to go public at this juncture. That is the only reason why the debate was not open to the public.

[Culic] Nevertheless, one hears that the basic ideological contours of the new Constitution are already well known.

[Seks] Well, they are well known insofar as they follow the general disposition expressed in Croatia in recent months, and only on that basis can we say something about it even now without prejudicing anything. It is clear that the Constitution will establish the dimensions of parliamentary democracy, which will be based on the principle of self-organization of a Croatian state, at the same time recognizing the reality that Croatia is in Yugoslavia. It is also clear that the Constitution, respecting the highest international standards, will put particular emphasis on guaranteeing human rights and freedoms. In this connection, it needs to be spelled out so that there can be no arbitrary interpretation in the future that the individual's rights and freedoms may be restricted only if this is required to protect the rights and freedoms of others in society and only if this is truly in the interest of protecting the republic. As far as the organization of the government, opinions are still in flux, but the dominant position is that we should adopt a combination of the American and French models, with emphasis on the French semipresidential system in which the president of the republic has the classic prerogatives of the chief of state.

[Culic] While you were still an "inveterate dissident," you wrote that Yugoslavia had not signed the United Nations declaration on Human Rights—which surprised many people—out of loyalty to the USSR in the first years following the war. Will the emphasis on human rights in the Croatian Constitution also aim at filling that gap?

[Seks] Yes, practically nothing was known about that until a few years ago. Yugoslavia refrained from supporting the United Nations General Declaration on Human Rights, although it had been very active in preparing it, respecting Stalin's pressure that this would have signified its crossing over into the imperialist camp. Some people thought even at the time that this would come down on Yugoslavia's head sooner or later, but then everything was kept quiet, and people have begun to talk about it only recently. The Croatian Constitution certainly has the task of filling that gap—more accurately, the intention of incorporating the entire body of international acts on human rights, beginning with that declaration, the international conventions, and the Helsinki Charter.

[Culic] The new government has certainly shown more of the necessary determination than the old one in establishing and protecting Croatian statehood, but at the price, it seems, of sometimes underestimating the question of procedure. Following a very brief debate of amendments, the other day you announced an equally short period of time for drafting the new Constitution—by October. The old government suffered from endless debates about everything under the sun, and you seem to

be going to the other extreme, toward enactment of a constitution "by revolutionary methods."

[Seks] I would not put it that way. You yourself say that the Communist government suffered from lengthy and unproductive public debates, and this is what we are trying to avoid now. I do not think that anything has been sacrificed along the way in the sense of detailed and authoritative debate of the new Constitution. Incidentally, just look at all the stages the new Constitution must go through from the initiative to presentation for the final vote: first the Republic's Presidency presents its view of it, then it is debated in the Assembly, which passes on a proposed version of the Constitution to the Constitutional Commission, which consists of 30 authoritative people from several parties (according to the election results). This is a body which brings together perhaps 90 percent of those who can speak competently on questions of constitutional law, and when they have prepared a draft of the normative part of the Constitution, the public debate will be opened—it will last one, one and one half months—and then everything that has occurred up to that point will be presented for public verification. It is a question, then, of the broadest range of institutions; I have mentioned only some of them, which will render a judgment of this, and also of the broadest range of people who can also take a position on this (without the illusions we have had up to now of debates which constitute a "plebiscite"). Accordingly, there is no question of adopting a constitution by any of the methods we associate with rebels or revolutionaries.

[Culic] When the new Constitution is adopted, the question will be raised of scheduling new elections, since the structure of the Assembly is changing, i.e., one and perhaps even two chambers are being abolished.

[Seks] Yes, the structure will obviously be changed, by all appearances in such a way that we will have a unicameral Assembly, and that raises the question which you put. It remains, however, for the constitutional law to spell out when its various parts and various provisions will take effect. Likewise, a number of things which the Constitution touches upon only in principle will be left to be regulated by specific laws, and then among others, an election law will be adopted, and it would decide the issue about which you are asking. It is not essential here that we arrive at a unicameral Assembly by scheduling new elections, but the present three chambers could "merge" to form a future new chamber.

[Culic] Would this not result in the illogical situation in which the representatives remain, when the electoral units in which they have been elected are being abolished? Who is then going to recall representatives if they do not fulfill the expectations of the voters, and does this not suggest that this belongs to the exclusive jurisdiction of the political parties?

[Seks] You are right, that solution would actually open up that issue, and a solution will have to be found, although at this point it would be hard for me to say what

it would specifically look like. There is no doubt that adoption of the new Constitution will also necessitate a scheduling of new elections as a final result, the only question is the pace at which that will be done. It is not merely a question here of the party in power wanting to postpone a new test of its political credit with the people. If we adopt the Constitution within the period of time that has been planned, only half a year would have passed since the elections, and it must be borne in mind that the party in power needs a certain time to consolidate and begin to function as it was expected to do.

[Culic] We agree, but with the pace of adoption of the new Constitution it is the party in power itself that has set the pace of the new elections. So, as for that accelerated pace, perhaps in that speed some of the steps have become confused. For example, Amendment 59 was "thrown out" by majority vote, and that caused and is still causing the greatest resistance on the part of the opposition, and then only afterward was the opinion of the Constitutional Court requested as to whether the procedure had been proper. The impression remains that with the interpretation which the Presidency of the Assembly made during the session itself it placed itself above the jurisdiction of the Constitutional Court and indeed above the Assembly itself.

[Seks] That impression is imposed only if one forgets another fact. Under the present Constitution, these objections of the opposition may be made only to the proposed version of the amendments, which means that they were procedurally premature. Accordingly, those objections might be removed by appealing to Article 59 itself, which the opposition has decided to protect, but which sets up things as I have said. What is more, Article 368 of the Constitution of SR [Socialist Republic] Croatia states unambiguously that on issues being put up for public debate, and that is the case here, the Assembly decides by a simple majority. Incidentally, in February when this amendment was adopted, the prevailing opinion favored a simple majority, and now the new membership of the Assembly is doubtful, although it is only continuing that practice. In the shortage of time, when the opposition was demanding that this item be removed from the agenda, there simply was not time to seek the opinion of the Constitutional Court, and that is why the Presidency of the Assembly was asked to give its opinion. Once again, this does not mean that the Presidency "placed itself above the Assembly," since the opinion of the Presidency is not binding on the Assembly; it could have rejected it if it found that it was not correct or was not in conformity with the Constitution. But in spite of everything, we did request the opinion of the Constitutional Court, out of a desire to complete the job which we have begun with "clear consciences." As far as I know, the Constitutional Court has not received a similar request from the left-wing bloc so far. Perhaps even they realized that their demand was running ahead of the procedure set down by the Constitution.

[Culic] With all of that, there still remains a rather bad impression that now the Constitution is being amended by a simple majority.

[Seks] I can agree with that. It would be logical for the Constitution to be amended by a two-thirds majority, but when the present Constitution provides otherwise, the Assembly must, of course, decide not as it wishes, but as it must. It could not have been done otherwise. The obligation of a two-thirds majority exists only when it comes to consent to the federal Constitution. Had the authors of the present Constitution wished to extend that to other issues, they would have done so, but it is not up to us to figure out why they chose this solution. We will certainly try to change that in the new Constitution, but at least for the present we are bound by the old one.

[Culic] Nevertheless, is it not a bit strange that some members of the present Constitutional Commission who last winter were directly involved in drafting Amendment 59 are now advocating this kind of procedure for its "deletion," and not the "severe" procedure?

[Seks] ... (Does not answer the question and indicates that he has understood it with just a gesture.)

[Culic] Fine, we will not put questions to you which are for others. We are interested in something else. Deletion of Amendment 59 eliminates the possibility of 10 representatives proclaiming any issue essential to the equality of nationalities and ethnic minorities and seeking a two-thirds vote on that. We can agree with you that such an arrangement would open up the possibility of blocking and indeed even outright obstructing the work of the Assembly. Still, nothing has been said about whether this instrument for protection of the Serbs and other minority nationalities will be replaced by any other. And we think that it cannot be denied that such an instrument is necessary.

[Seks] It is not true that nothing has been said. When the Presidency of the Assembly rendered its judgment on Amendment 59, it stated at the same time that an appropriate substitute had to be found, and all three chambers of the Assembly placed the obligation on the Constitutional Commission to find that substitute. Work is being done on it right now, and it will take the shape of an amendment that will be presented to the Assembly in the session on 25 July. The amendment will retain the intentions of the former one, Amendment 59 (Subparagraph 5), but it abandons the right of a certain number of representatives to question the opportuneness of laws and other enactments from the standpoint of interethnic equality, and this is left solely to a specific commission of the Assembly.

[Culic] Now that we are talking about protecting minority peoples, we heard the other day that the Serbs in Croatia would be guaranteed only those rights which Croats enjoy in Serbia. Is this not the adoption of reciprocity in relations between Serbs and Croats, which seems to us a doubtful and even quite bad solution?

[Seks] I have not heard of anyone at the top level of the Croatian Government advocating the principle of reciprocity, and I agree that that diplomatic principle is not acceptable nor applicable to Croatia.

[Culic] Nevertheless, such an opinion has been heard. Incidentally, recently you yourself declared that thought might be given in Croatia to retaining the present provision, which defines Croatia as the national state of Croats, the state of Serbs and other nationalities and ethnic minorities, only if Serbia were also defined as a state not only of Serbs, but also of Croats and Albanians.

[Seks] Yes, but that was stated in a quite different context. I merely wanted to point up the untenability of pressures on Croatia to retain the present formulation, while in Serbia they are adopting a different arrangement, and that is also the case elsewhere, for example, in Slovenia and Macedonia. So, I put the question of why Croatia should be different from the others, and it was not my intention to make solutions in Croatia dependent upon solutions elsewhere, at least not in the manner of any kind of reciprocity.

[Culic] That would certainly be bad; the constitutional solutions in Serbia have surely been adopted along the lines of the desperately bad interethnic relations in that republic. It would be a bad thing if Croatia, on one pretext or another, should follow that example.

[Seks] I completely agree. It is quite certain that Croatia will not follow such examples.

[Culic] Certain constitutional steps have already been taken aimed at anticipating creation of a "Serbian district" in Croatia. Are any others being planned?

[Seks] Even under the present Constitution the opstinas cannot merge functions which have the attribute of government authority. Accordingly, even up to now intervention has been possible if Knin and several other opstinas decide to establish interopstina police or some other body of government. In our changes up to now, then, we have only stated *expresis verbis* what was already contained in the Constitution. I say this so that people will not think that a possible intervention by the Executive Council is some "whim" of the new government, and least of all some "anti-Serb" action. But now the intentions of establishing a "Serbian district" or even a separate "Serbian state" in Croatia are already so manifest that we need a correction of the amendment which is supposed to be adopted on 25 July, and that a correction in the direction of completely precluding the possibility of establishing any communities of opstina whatsoever. A completely new conception of local self-government is being prepared.

[Culic] There have been objections that because of events in Knin and several other opstinas all the rest are now being "punished." Would this prejudice future subregional linkages, for example, in Dalmatia or Istria, when, with all the historical connotations, it still would

be difficult to deny that they are a part of processes taking place in Europe at large?

[Seks] Today, it might perhaps seem to some people that these changes are being made only because of what is happening in and around Knin, and to others it perhaps will seem tomorrow that this is being done to anticipate certain other autonomous structures. I must say, however, that the purpose of the present changes is not simply to prevent creation of a "Serbian state" in Croatia, but the purpose is to create, as I have said, a new system of local self-government which will not contradict the interests of the development of the Republic as a whole. In that sense, these changes can be seen as a preventive against new situations similar to these. We must protect ourselves against the opstinas making moves which will then force the Republic to amend the Constitution hastily, as is the case now.

[Culic] Judging by the television program you were on a few days ago, the interest of the public centers on amendments of the Constitution related to the new flag and particularly the new crest of Croatia. You explained the rejection of the star by saying that it had been compromised in events at the very end of the war, and you defended the "chessboard" by saying that this is the historical Croatian crest and that it could not have been harmed by the fact that it was briefly one of the symbols of the Independent State of Croatia. What is more, another participant in the program (Susak) said that the "chessboard" had remained unsullied, and that there was no difference whatsoever between Croatian state emblems then and today. Does this not mean adopting two standards: one for the star, which the criminals compromised, and another for the "chessboard," which the crimes of the Independent State of Croatia allegedly seem not to have affected?

[Seks] I have said on several occasions, including the debate in the Assembly, that I understand the sensitivity of those who look regretfully on the "removal" of the star from the state emblems of Croatia. Nevertheless, I said at the same time that it could not be freed of ideological admixtures, nor taints related to the events in Bleiburg, Sosice, and elsewhere. In such a situation, when some people attribute to the star certain characteristics and others different ones, the most intelligent thing, in my opinion, is to take as one's point of departure the political disposition in the Republic, and it is mostly inclined to say "Thank you very much" to the star and for it no longer to be a part of the symbols of the Croatian state. As for the objection of a double standard, I think it is not valid, since the historical Croatian crest was a part of the insignia of the Independent State of Croatia for a relatively short time, a time that certainly cannot be measured against its total historical duration. What is more, it has not merely been a part of the insignia of the Independent State of Croatia, and is not identical with it, and I think there is no question that the four years of its abuse signify that it was so compromised that it could no longer be used.

[Culic] The fact that the "chessboard" was included in the crest of Croatia after the war is probably the best proof that it certainly was not as compromised as that. Nevertheless, would it not be most intelligent to follow the experience of contemporary European states which have solved the question of a crest in various ways, but most of them have not put them on their flags, but have simply used tricolors without any sort of additions?

[Seks] That is, of course, one way of looking at it, but I think that in our case the party in power simply had to sanction in law what the people themselves have expressed as their desire over the last few months.

[Culic] Even if one gets the impression that the flag of the ruling party has become the flag of the state?

[Seks] That was the flag of the party at the beginning, later it reflected the broader disposition of the people, which the ruling party, to be sure, articulated best, but which still cannot be equated solely with it.

[Culic] You responded to the proposal that the Croatian crest consist of the chessboard and four S's by saying that it has as much chance as the proposal that the Croatian crest include some Chinese symbol. The proposal for the four S's, to be sure, is burlesque, but I am interested in your reaction. Would you take it kindly if someone said something like that to you?

[Seks] I think, of course, that it is clear to everyone that the time for mincing words and rhetorical speech has passed and that politics under the new conditions also needs a new vocabulary, one that will not hurt the dignity of the ideological opponent, but will polemically and indeed even "hawkishly" respond to propositions that deserve a sharp reaction.

[Culic] A few words about the drafting of the federal Constitution. The party in power has made objections to it, and the Croatian Assembly has accepted them unreservedly, and so we have an issue on which the Croatian Democratic Community has unanimous support. But that also necessitates full responsibility in planning

future moves. Will Croatia remain in the talks concerning the new Constitution, or will it withdraw like Slovenia if there is a new heightening of the tension?

[Seks] We continue to say that there should be talks. The political reality of Croatia, nevertheless, differs from that in Slovenia, there is an ethnic difference, and there is also a difference with respect to a few other elements which could ultimately result in increased pressure on Croatia from the Federation. And in the final analysis this could essentially impede achievement of the goals which in Croatia, just as much as in Slovenia, are related to bringing about confederal relations in the country.

[Culic] Is that why the Croatian delegation decided to remain in the Chamber of Republics and Provinces, even though it is obvious that it has become illegitimate following the most recent events in Kosovo?

[Seks] The Croatian delegation has remained—once again out of respect for the political reality. We think that we should maintain our presence there, even though there is no discussion about what happened in Kosovo, nor about the explanation that supposedly nothing happened that would upset the work of the Chamber of Republics and Provinces. The opinion prevailed that we should be present wherever something is being decided, and wait for a chance—the victory of the multiparty people throughout the country—when all of these problems will after all be put in a different light and when solutions will not seem so far off as they do today. And this is going to take some effort, since now, at the height of the greatest changes in the country, we still have not worked out the rules by which a federal structure such as we now have can be transformed into a confederal structure. If agreements on that should not be reached, and the situation continues to become more tense, all that will be left would be for certain republics to secede, but even the procedure for secession has not been regulated, and the Federal Executive Council has only now received an order from the Yugoslav Presidency to draft it. In short, there is a great deal of work to be done, and our position is that we should take part in it insofar as that is possible.

BULGARIA

**Leaders, Addresses of Confederation of
Independent Trade Unions Published**

90P20082A Sofia TRUD in Bulgarian 6 Jul 90 p 2

[Text]

List of Member Organizations of the Confederation of Independent Trade Unions in Bulgaria				
	Organization	Leader	Address	Telephone Number
1	Federation of Independent Trade Unions of Agricultural Workers	Lyuben Kharalampiev	29 Dimokhadzhidimov St., Sofia 1606	52-15-40
2	Federation of Independent Trade Unions of Construction Workers in Bulgaria	Nikolay Rashkov	4 Lenin Sq., Sofia 1000	80-16-03
3	National Trade Union Federation "Metal-Elektro"	Doycho Dinev	4 Lenin Sq., Sofia 1000	87-48-05
4	Federation of Trade Union Organizations in Light Industry	Yordan Vasilev	4 Sixth of September St., Sofia 1000	87-70-16
5	Independent Trade Union Federation of Commercial, Cooperative, Service, and Tourism Workers	Petur Tsekov	1 D. Blagoev Sq., Sofia 1040 (temporary)	866-366
6	Trade Union of Bulgarian Teachers	Ivan Yordanov	4 Lenin Sq., Sofia 1000	87-78-18
7	Federation of Independent Trade Unions of Miners, Metallurgists, Power Engineers, and Geological Prospectors	Yordan Ruskov	4 Lenin Sq., Sofia 1000	87-80-83
8	Federation of Trade Unions and Trade Union Organizations in State Institutions, People's Councils, Public Utilities, Communal Enterprises, and Social Organizations	Petur Suchkov	52 Alabin St., Sofia 1000	87-98-52
9	Federation of Trade Unions in the Forestry and Woodworking Industry	Nikola Abadzhiev	29 Dimo Khadzhidimov St., Sofia 1606	52-31-21
10	Federation of Trade Union Organizations in the Chemical and Biotechnology Industries	Lyuben Makov	3 Alabin St., Sofia 1000	87-39-07
11	Federation of Trade Unions in Health Services	Aleksandur Subev	4 Lenin Sq., Sofia 1000	88-20-97
12	Trade Union of Automotive Transportation Workers	Iliya Aleksiev	106 G. Dimitrov St., Sofia 1233	31-00-32
13	Independent Trade Union of Food Industry Workers	Slavcho Petrov	29 Dimo Khadzhidimov St., Sofia 1606	52-30-72
14	Federation of Trade Union Organizations in the Electronics Industry	Nedyalko Nedyalkov	4 Lenin Sq., Sofia 1000	87-81-73
15	Independent Trade Union Federation of Cooperative Organizations	Nikolay Nikolov	99 Rakovski St., Sofia	87-27-63

List of Member Organizations of the Confederation of Independent Trade Unions in Bulgaria (Continued)

	Organization	Leader	Address	Telephone Number
16	Federation of Independent Trade Unions of Services, Repair Services, Suppliers of Office and Commercial Fixtures, Producers of Goods, Permanent Employees and Craftsmen	Mariyka Taskova	1 D. Blagoev St., Sofia 1040 (temporary)	866-516
17	Union of Railwaymen in Bulgaria	Kiril Tsvetkov	3 Ivan Vazov St., F. BDZh, Sofia	843-41-44
18	Federation of Independent Trade Union Organizations in the Bulgarian Armed Forces	Nikolay Nikov	3 Levski St., Sofia 1000	862-34-08
19	Trade Union Federation of Communications Workers	Georgi Bochev	1 Gavril Genov St., Sofia 1000	87-83-03
20	League of Transportation Trade Unions	Atanas Stanev	106 G. Dimitrov St., Sofia 1233	31-51-24
21	Federation of Independent Trade Unions in the Tourism Industry	Teodesiy Lyutov	1000 Pozitavo St., 8	39-00-19
22	Independent Teachers' Union	Zhorzh Petrov	1 D. Blagoev St., Sofia 1040 (temporary)	886-519
23	Independent Trade Union of Meat Industry Workers	Dimitur Zlatinov	2 Gavril Genov St., Sofia 1000	88-27-88
24	Independent Trade Union Federation "Kultura"	Snezhana Ivanova	7 Third of April St., Sofia 1000	83-25-18
25	Trade Union of Highway Workers	Marin Marinov	3 D. Blagoev Sq., Sofia	52-25-41
26	Independent Trade Union of Tobacco Workers	Rada Salueva	20 Vrakya St., Sofia 1000	32-20-49
27	Electrotechnical Trade Union Association	Georgi Khristov	127 G. Traykov Blvd., Sofia	62-79-29
28	Independent Trade Union Organization of Power Plant Workers in Bulgaria	Robert Dzherasi	[no address given]	44-33-92
29	Shipbuilding Trade Union Association	Toma Tomev	128 D. Blagoev St., Varna	052-88-56-21
30	Independent Trade Union of Workers in the Hydraulic and Pneumatic Industry in Kazanluk, Bulgaria	Yan. Delcheva, B. Lalkovski	F. Khidravlika, NSRKhPB, Kazanluk 6100	0431-2-66-33
31	Union of Bank Employees	Vanya Vasileva	2 Sofiyska Komuna St., Sofia 1000	886-297
32	Independent Trade Union of Printers and Publishers	Emil Mikhaylov	1 D. Blagoev St, Sofia 1040 (temporary)	83-18-32
33	Regional Trade Union at the Company "Lazur"-Varna	Todorka Pangarova	F. "Lazur" 57 K. Marx Blvd., Varna	052-24-30-79
34	Trade Union of Workers at Vacation Resorts and Spas	Boris Klincharov	1 D. Blagoev Sq., Sofia 1040	866-455
35	Independent Trade Union of Workers at the Company "Feniks-resurs"	Emil Stamenov	55 Chapaev Blvd., Sofia	70-50-76
36	Trade Union of Workers in International Automotive Transportation	Emil Begov	Gorublyane District, SO MAT, Sofia	78-10-12
37	Federation of Trade Union Organizations of Retired People	Konstantin Khivkov	[no address given]	52-88-09

List of Member Organizations of the Confederation of Independent Trade Unions in Bulgaria (Continued)

	Organization	Leader	Address	Telephone Number
38	Trade Union Association of Brewers in Bulgaria	Krasimir Pashtapanski	1738 Gorublyane District, PZ "Sofiysko Pivo," Sofia	75-80-27
39	Trade Union of Employees of the State Savings Bank	Mariya Georgieva	19 Moskovska St., TsU of DSK, Sofia	88-10-41 (224)
40	Independent Trade Union of Library Workers in Sofia	Nikolay Doynov	1 D. Blagoev Sq., Sofia (temporary)	89-46-17 (res.)
41	Trade Union of Preschool Teachers	Katya Dimitrova	1 D. Blagoev St., Sofia 1040 (temporary)	22-91-41
42	Trade Union of Workers at the Mototekhnika Company	Margarita Grigorova	25 Vitosha Blvd., Sofia 1000	80-35-17
43	Union of Actors in Bulgaria	Stefan Iliev	1 Pop Andrey St., Sofia 1000	88-04-40
44	Trade Union of Educators	Borislav Stamov	18 Al. Stamboliyski Blvd., Sofia 1000	87-01-20
45	Independent Trade Union of Foundry Workers in Bulgaria	Lyudmil Pendelashki	1 D. Blagoev St., Sofia (temporary)	87-35-86
46	Independent Trade Union of Workers in Foreign Economic Projects	Georgi Angelov	10 Graf Ignatiev St., Sofia 1000	87-09-50
47	Trade Union of Workers, Producing Machine Tools in NII Enterprises	Kiril Lazarov	8 Ilnevsko Shose, Sofia	38-71-47
48	Trade Union of Cinematographers	Tanya Lilova	8 Pozitano St., Sofia 1000	88-44-01 (375)
49	Seamen's Union	Borislav Borisov	1 Chervenoarmeyski Blvd., Varna 9000	052-22-21-69
50	National Trade Union of Workers in Public Food Services	Stefka Nikolova	3 Gavril Genov, Sofia 1000	80-03-15
51	Independent Trade Union Association of Producers of Nonalcoholic Beverages and Mineral Water	Svetla Vuchkova	21 Purvomayska St., Sofia 1407	68-34-13
52	Trade Union of Data Processors	Zoya Tsvetanova	2 Panayot Volov, Sofia 1504	43-28-51
53	Union of Insurance Agents	Nikolay Sotirov	41 Dendukov Blvd., Sofia 1000	869-265
54	Independent Trade Union of Employees in the Ministry of Foreign Affairs	Branimir Radev	2 Al. Zhendov St., MVNR, Sofia 113	71-43 (317)
55	Union of Workers in Museums and Art Galleries in Bulgaria	Yordan Kamenov	[no address given]	87-29-33
56	Trade Union of Workers in the System of the Central Statistical Administration	Spas Kostov	10 Shesti Septembri St., Sofia 1000	87-29-61
57	Federation of Independent Trade Unions of Workers in the Social Services Sector	Stefan Grozev	42 V. Kolarov St., Plovdiv	032-22-48-60
58	Trade Union of Atomic Energy Workers	Tsvetan Andreev	SO Atomna Energetika SAE, Kozloduy 3320	Ts 71 (23-46)
59	Independent Trade Union Organization of Workers in SP [Economic Enterprise] Student Hostels and Cafeterias, Sofia	Ivaniyaka Dencheva	1 Blvd. Studentski Grad, Sofia 1100	68-92-16
60	National Independent Trade Union of Health Inspectors in Bulgaria	Khristo Kamburov	3 Bregalintsa St., KhEI, Varna	052-22-09-06

List of Member Organizations of the Confederation of Independent Trade Unions in Bulgaria (Continued)

	Organization	Leader	Address	Telephone Number
61	Trade Union of Workers and Employees in the Elma Company, Troyan	Vladislav Zarev	F. Elma, Troyan 5600	0670-2-23-47
62	Union of Bulgarian Professional Soccer Players	Iliya Velichkov	6-B L. Karavelov (Nikolov) St., Sofia	44-61-46
63	Independent Federation of the Circus Community	Khristo Chekhadzhiev	11 Iskur St., Sofia 1000	38-26-40
64	Independent Trade Union of Typesetters at the D. Blagoev State Publishing House, Sofia	Veselin Khristov	2 Rakitin St., Sofia 1504	45-70-91
65	Independent Trade Union of the Agricultural Aviation Engineering Staff	Yordan Velinov	Sofia North Airport, SSA	59-41-98 (res.)
66	Independent Trade Union of Ecologists	Todor Donchev	67 Vl. Poptomov St., Sofia 1000	51-89-92
67	Independent Trade Union of Professional Sportsmen	Ognyan Makabeev	18 Tolbukhin Blvd., Sofia	982-32-54 (res.)
68	Independent Trade Union of Professional Aircraft Pilots in Agricultural Aviation	Petur Petrov	Sofia North Airport, SSA	71-75-28
69	Independent Trade Union Organization at TD [Trading Company] Agromashinaim-peks	Ekaterina Popova	1 Stoyan Lepoev St., Sofia 1330	21-80-49
Associate Members				
	National Radio-Television Trade Union	Lyubomir Mirchev	4 Dragan Tsankov St., Sofia	88-02-97
	Workers Federation for Physical Training and Sports	Petko Krustev	1 D. Blagoev Sq., Sofia 1040	87-41-42

GERMAN DEMOCRATIC REPUBLIC

Prospects for Shipbuilding Industry Outlined

90GE0246A Hamburg SCHIFF & HAFEN/
SEEWIRTSCHAFT in German No 7, Jul 90
pp 21-22, 24

[Article by Juergen Begemann, chairman, Deutsche Maschinen- und Schiffbau AG, Rostock: "Market Economy for GDR Shipbuilding: Status and Consequences"]

[Text] Effective 1 June 1990, GDR shipbuilding, as a trade combine in a holding company, is using "Deutsche Maschinen- und Schiffbau AG," Rostock, as its name. As a stock corporation it is becoming the successor to the former VEB Kombinat Schiffbau, Rostock, which has a combined potential of 58,000 employees.

The conversion of ocean and inland shipyards (39,500 employees) and machine and plant building enterprises (18,500 employees) into companies with limited liability brought about decisive conditions for the transition from the centralized planned economy to the social market economy. In this reconfiguration process it turned out to be very useful that early on we established contacts with representatives of FRG business, industry, and the legal system who were competent and experienced in market

economy matters and that we were advised by the Shipbuilding and Ocean Technology Association [VSM].

Under the umbrella of the holding company, the GDR shipbuilding industry joins together 24 enterprises (see Table 1) with the three essential profiles:

- new ship construction and ship repair;
- machines and equipment; and
- scientific-technical capacities.

Management units and employees of the enterprises clearly expressed their support for this kind of corporation as part of a holding company. The reason for this unambiguous vote in the end was the advantages which such a merger offers in respect to economic stability and the opportunity to survive, especially when entering into the market economy.

GDR shipbuilding with its current annual output of about 40 new oceangoing ships and inland waterway vessels of approximately 300,000 GT [gross tonnage] and 450,000 cGT [expansion unknown], respectively, is the result of independent development which goes back to 1945.

The consequences of World War II, with destruction, reparations as per the Potsdam Agreement, and the

division of Germany, led to rebuilding this industry in an area which had a relatively modest tradition of shipbuilding. Exceptions to this were the "Neptun" shipyard, Rostock, which can point this year to 140 years of tradition and experience in iron shipbuilding, and the Elbe Shipyard Boizenburg, which will celebrate its 200th anniversary in 1993.

Since 1946 shipbuilders have delivered over 5,000 oceangoing ships and inland waterway vessels of approximately 200 different types. The array of products ranges from cutters to factory trawlers, from conventional coastal motor ships to full container ships, from inland waterway passenger ships to rail freight ferries and from tugs to bucket chain dredges.

These facts speak well for a shipbuilding experience which the GDR shipbuilding industry combines with its proven core of able engineers, designers, technicians, and skilled workers. By virtue of more than 5,700 staff employees in research, development, and design, and about 8,400 engineers we are amassing a substantial scientific-technical potential.

Shipbuilding tradition as well as the technical competence and experience of the people employed in our enterprises are the first decisive pillar which we bring to all-German shipbuilding.

Second, we are in a secure situation in respect to orders. The shipyards in our holding company have a posted level of orders consisting of 112 oceangoing ships of about 1.6 million cGT, worth M12.4 billion, and 101 inland waterway vessels, worth M790 million.

Third, GDR shipbuilding, which is heavily oriented toward exports, maintains customer relations with 45 countries. The greatest part of new ship construction is delivered to the USSR. The total balance sheet for this export share comprises 3,490 ships of 80 different types. Many years of cooperation with this major customer have made it possible to react purposefully and flexibly to its requirements, to develop directly with the operators joint solutions to problems, and, in general, to amass a great deal of experience in trade with East European countries. GDR shipbuilding always maintains corporate offices in Moscow, Leningrad, Szczecin and Hamburg, participates in fairs and conferences. Based on the total export volume from the GDR to the USSR, shipbuilding, at eight to nine percent, occupies an economically important place.

Fourth, because of its specialization GDR shipbuilding offers specific know-how in building fishing and refrigerator ships, multipurpose cargo container ships as well as inland waterway passenger ships and bucket chain dredges. Solid customer contacts over a period of many years made possible thorough analyses of experiences in building and operation and their application to subsequent ship generations. Successions of generations on a scale which is unique internationally speak well for the result.

The following may be mentioned by way of examples:

- Fifty-six Polar/Kristall I/II/III type refrigerated transport ships (14,500 m³ cargo space, -28°C) from Wismar, followed annually by 2 to 3 additional ships;
- Twenty-one Lo/Ro [lift-on/lift-off and roll-on/roll-off] type multipurpose cargo ships, 18,000 dwt [dead-weight tons], were produced to date by the Warnowwerft GmbH, for the USSR's ocean fleet. There will be 10 more by 1993;
- Twenty-three factory trawlers which are more than 120 meters long from the Stralsund shipyard; these make it possible to produce up to 60 tons of frozen goods, 60 tons of fish meal and 26,000 cans of canned fish daily on the high seas. Nine to 10 more units of this type will be built annually. Overall, for years GDR shipbuilding has been in first place worldwide in building fishing vessels;
- The 42 inland waterway passenger ships from the Elbe Shipyard Boizenburg, for 350 passengers each. This product line will be continued in the next few years with the delivery of three of these ships each year—as provided for in the contracts and government agreements with the USSR;
- A monopoly within CEMA in the building of ocean bucket chain dredges. To date GDR shipbuilding has delivered 50 of these special ships. The current product from the Neptun shipyard (so far 17 dredges delivered for export) provides a dredging capacity of 750 m³ per hour at a depth of 12 meters. The technological operation of the dredge is automated. The bucket chain drive as well as side and headrope winch operation are programmed microelectronically and guarantee optimal bucket filling.

Fifth, our shipyards and the machine and factory building enterprises, supported by series shipbuilding and extensive manufacturing depth, have efficient technological devices and equipment, particularly in respect to welding technique and metal working.

As the facts cited demonstrate, shipbuilding along the Baltic Sea coast is a structure-determining industry of overall economic importance. In Rostock the existence of every other family is directly tied to the success of the maritime economy. For shipbuilding, therefore, our clear orientation calls for achieving the FRG's level of productivity and efficiency within a period of three to five years. This means an increase of approximately 30 to 40 percent.

On the basis of our own resources and enormous efforts, our realistic expectations are linked to the future fate of shipbuilding.

Shifting the shipyards and enterprises of our industry from a planned economy to a market economy requires concerted measures to increase productivity and to develop diversification which must be accompanied by a decrease in production depth at the shipyards. At the

same time, a rigorous decrease in costs compels us to effect a clear reduction in administrative costs and to quickly overcome our being behind technically. In addition to organizational measures this also presupposes extensive investments.

These burdens which were inherited from centralized planning must not present themselves as hurdles along our path to the market economy. For the three to five years mentioned for achieving competitive capability, our shipbuilding needs a program of adaptation and structure with appropriate support. In the period of adaptation it must clearly be above the calls for protection by the FRG's shipyards to offset any misrepresentations of competition. As stated in the May 3, 1990 position paper of the VSM, "On the Position of German Shipyards in International Competition," to the GDR and FRG governments, we are proceeding on the basis that these financial allocations will not take place at the expense of the shipbuilding support programs which are currently in effect in the FRG.

In this transition phase to a market economy, it is clearly to the advantage of shipbuilding that at all times it has had to rise to the demands of the international market with its products. Nonetheless, in many sectors, the transformation of the enterprises into stock corporations is a start which begins at point zero. For that very reason the unselfish advice and varied support which we are experiencing via the VSM are of enormous help.

In the process of changing into companies, the work of certified public accountants and tax consultants from the FRG, for example, has helped us assume a realistic initial position in the management-related reassessment in line with the FRG's accounting system and tax rules. The urgently needed rationalization measures in the organization of production and management, in the financial and material economy, as well as in the personnel system, will require the successfully initiated exchange of experts for a rather extended period of time.

Currently we are involved in training managers at all levels to market economy demands through instruction and continuing education in company management, marketing, and sales. For us, too, it is proving to be urgent and essential that we organize a comprehensive instructional and training program for personnel. We are supporting the establishment of small and medium-sized companies in the environs of our shipyards. This smoothes the way into a new future for many people. At the same time our efforts aim at building bridges for all workers and salaried employees in shipbuilding for the path into the market economy.

As the level of orders, the market-based product profile, and, not least, membership in the VSM since May 2 prove, GDR shipbuilding is an indispensable part of all-German shipbuilding.

With an eye on expanding world trade, shipbuilding is a promising industry with the character of a key industry.

Table 1. Die Deutsche Maschinen- und Schiffbau AG i.G. [in formation] and its Companies (arranged by level of capital)

1.	Warnowwerft GmbH
2.	Volkswerft GmbH
3.	Mathias-Thesen-Werft GmbH
4.	Schiffswerft "Neptun" GmbH
5.	Peene-Werft GmbH
6.	Dieselmotorenwerk Rostock GmbH
7.	Kuehlautomat Berlin GmbH
8.	Maschinenbau Halberstadt GmbH
9.	Schiffselektronik Rostock GmbH
10.	KGW Schweriner Maschinenbau GmbH
11.	Elbwerft Boizenburg GmbH
12.	Gieserei und Maschinenbau Torgelow GmbH
13.	Schiffswerft Rechlin GmbH
14.	Isolier- und Klimatechnik Schiffbau GmbH
15.	Dampfkesselbau Dresden-Uebigau-GmbH
16.	Schiffsanlagenbau Barth GmbH
17.	Rosslauer Schiffwerft GmbH
18.	Informationssysteme und DV-Consulting GmbH
19.	Schiffssommerz GmbH
20.	Schiffswerft Oderberg GmbH
21.	Ingenieurtechnik und Maschinenbau GmbH
22.	Schiffbau- und Versuchsanstalt Potsdam GmbH
23.	Institut fuer Schiffbautechnik und Umweltschutz GmbH
24.	Ingenieurzentrum Schiffbau GmbH

POLAND

Rise in Unemployment Noted for Period Covering January to Mid-June

90EP0782A Warsaw GAZETA BANKOWA in Polish
No 29, 15-21 Jul 90 p 9

[Article by (KD): "The Curve Rises"]

[Text] From the beginning of the year to 15 June the number of unemployed rose ninefold, from 55,800 to 512,200. By observing statistics issued by the Ministry of Labor and Social Policy, it is easy to see that unemployment is growing with amazing regularity, on average by 50,000 every two weeks.

There is a good possibility that these ratios will undergo unfavorable changes in the near future. Throughout the entire country, 7,032 plants have already announced group terminations, which will affect 280,110 people by the end of September. Of this group, the number of employees has been reduced by 27.6 percent. It is anticipated that of the remaining 72.4 percent, about 140,000 people will be seeking work. Some 24.4 percent of the

total terminated are retirees and the disabled who work less than a full work load and people employed in second jobs.

Although the unemployed already make up 3.8 percent of those employed in the national economy (besides individual farming), this major drop in the number of employed does not correspond to the scale of the decrease in material production. According to Central Planning Administration estimates, on the assumption that the number of workers should decrease in proportion to the drop in production and productivity, employment should be less than current employment by about 700,000 people.

With the influx of at least 300,000 graduates of primary, secondary, and higher schools in the second half of the year, the number of unemployed will most likely surpass 1 million.

In mid-June employment offices had 44,294 job openings. On average, there were 115 unemployed for each opening, including 79 men and 254 women. An unfavorable situation in the job market still persists for white collar workers. Only 8.7 percent of total openings are allocated for men and 21.5 percent for women.

The number of job openings continues to remain at a very low level and plants have virtually ceased hiring new employees. Perhaps the obligation to report job openings to the employment offices, which the amendment of the law on employment is to restore, will influence a change in that situation. But there is no doubt that the extent of unemployment depends, above all, on the progress of restructuring of the economy. Only a proper course for that process can guarantee the creation of new jobs.

Labor unions can play an important role in the present situation; before concluding an agreement on group terminations, they should propose to plant management the development of programs of appropriate organizational changes, such as making particular items or kinds of production independent, and undertaking new activity. As a result, this may lead to the creation of jobs for people threatened with termination.

At the end of June, a little over 10 percent of the unemployed were people who lost their jobs by virtue of group terminations. The group of people who did not work for three months prior to registration is still rather numerous (42.6 percent). A good number of them do not intend to go to work at all.

In the recent period, an increase in the activity of the employment office has occurred and, despite major overwork tied to registration of the unemployed and calculation of benefits, they have organized training for 1,994 people, created 37,300 interim jobs, given 1,502 loans for the undertaking of economic activity by the unemployed, and the creation of 1,655 new positions in work places.

Since the beginning of the year, regional employment offices have paid unemployed persons benefits totalling 134,691,800 zloty.

YUGOSLAVIA

Loosening of Monetary Policy Causes Bank Recovery Problems

90BA0260A Belgrade *EKONOMSKA POLITIKA*
in Serbo-Croatian 23 Jul 90 pp 23-25

[Article by Vladimir Grlickov: "Monetary Relaxation and Reorganization"—first paragraph is *EKONOMSKA POLITIKA* introduction]

[Text] Certain relief for banks and the economy, but not a definitive solution; is the obligatory reserve the only way to control the money supply?; how additional liquidity can be used for fundamental changes in ownership conditions; new problems in reorganizing the banks.

The announced changes in monetary and credit policy for the last two quarters of this year could be interpreted (among other things) as a departure from the restrictive course that, given the drop in inflation and the growth of foreign currency reserves, has yielded stabilized results. A similar conclusion about "relaxation" could be inferred from announcements of eased credit conditions through a radical decline in interest rates. A careful analysis of what is being proposed, however, shows clearly that there have been no general changes of course in monetary and credit policy. The aim is to move with the utmost circumspection ("in controlled doses") to ease restrictions and, potentially, stimulate economic growth. In so doing, the greater "abundance" of money and credit would be part of (among other things) the function of restructuring, as well as of changes in ownership and personnel at enterprises and/or banks.

But if there is no departure from the general course, which should fulfill quantitative (anti-inflationary) and qualitative ("rewarding" good work and changes of ownership) tasks, it is obvious here that there can be no return to the old role of monetary policy in reorganizing banks and/or enterprises. On the contrary: The reorganization situation is intensifying, because the banks are "forced" when revising their balances to reveal the actual situation and the extent of "hidden" losses, the amount of which, according to initial estimates, will be significantly greater than the originally projected several billion dollars, while the possibility that it will even exceed \$8 billion cannot be ruled out.

Monetary and Credit Aggregates

What do the announced changes in monetary and credit policy amount to in concrete terms? Above all, there is "relaxation" for both basic monetary and credit aggregates. The net assets of the NBJ [National Bank of Yugoslavia] would, after an absolute decrease in volume,

increase and "return" to the level at the end of March, which amounted to 115 billion dinars (for purposes of comparison, the level of net assets at the end of last year was 130 billion dinars). This presupposes a growth in primary money in the last two quarters until the end of the year of 6 billion dinars each. In the other aggregate bank investments there would also be an increase of 12 percent over the last two quarters, which would mean a level of 270 billion dinars (the level at the end of last year was 250 billion dinars).

Naturally, the same problems faced during the first half of this year remain open. Primarily, it is clear that a large money supply in circulation will continue to be "created" on the basis of foreign currency transactions by the National Bank and the banks, because it is almost certain that this will be necessary in order to finance the further growth in foreign currency reserves; in particular, this "flood" of money will be pronounced in the third quarter when the redemption of foreign currency (growth in foreign currency reserves), under the impact of the tourist season, will probably be significantly greater than the \$1 billion realized in the second and the \$760 million realized in the first quarter of this year.

For now, it remains unclear how to control the flow of money and credit under such circumstances. Specifically, the only thing that is clear is that this will not be achieved through administrative limits on bank investments, as in the first half of the year, because this instrument has been abandoned due to adverse effects; this policy is on a collision course with the principles of autonomous banking, and is combined with the inadequate implementation of fiscal policy and personal income policy, etc.

The announced alternative to limiting investments involves an obligatory reserve, which banks are obligated to keep with the National Bank in the form of a certain percentage of the level of deposits (the current rate is 22 percent on nontime deposits). However, not even this could be characterized as an instrument adapted to a market-type bank, since in practical terms the money is immobilized as deposits through coercion. Admittedly, we are not talking here about a sum of immobilized money encountered just anywhere (80 percent of the potential of banks!); still, it is an "offensive" instrument whose changes would mean obligatory reserves by the end of the year of 14 billion dinars (plus two billion that would be withdrawn through treasury notes), or around \$1.2 billion. This could have an adverse effect not only on the volume of resources left up to the banks' free disposal, but also on their revenue situation, since the obligatory reserves right now do not even come close to yielding the level of outlay (interest rates) that banks are bearing in trade with deposits.

Naturally, the simplest thing would be to reduce the obligatory reserve, for example, to half of the current rate. But it should be clear that this cannot be easily carried out. Reducing the level of the obligatory reserve or the basis of deposits, under circumstances when it

serves (among other things) as a basic guarantee of the liquidity of the banks (it should be noted that banks would use up to 30 percent for this purpose) would represent an excessive risk for monetary policy. Because in the absence of an obligatory reserve, there would be a greater danger of using even more unpopular "sources" of funds for liquidity, such as issues at the prime rate (their current volume amounts to 33.4 percent of sources of obligatory reserves). Naturally, in the event of improved management of bank liquidity, the situation could rectify itself: Insofar as there are changes in business policy and banks show more respect for the principle of investment liquidity, there would be a reduced need to use "fire-brigade" sources. In that case, even the obligatory reserve would lose one of its "useful" functions, and it would be possible to talk about reducing it.

Amidst all this, securities as a market instrument for control, i.e., over the issue (buying notes from banks) or the withdrawal (selling notes to banks) of money for now remains a side issue. It is true that it is continually proposed that these market instruments be activated so that, for example, part of the obligatory reserve would be "converted" to an obligatory treasury note from the banks, whereby the obligatory character of the treasury note could be transformed in time to nonobligatory securities that the NBJ could use for sale to banks, naturally offering attractive interest rates. It is obvious, however, that this type of operation with securities cannot be applied immediately. First of all, the NBJ cannot immediately offer attractive interest rates that would be higher than the banks' rates, because of the policy that it is pursuing of lowering the discount rate. Secondly, in this proposal there are not enough securities from banks whose purchase would prompt the NBJ to release money into circulation, and which would in turn be in keeping with the relaxed monetary policy that is being proclaimed, and would be in keeping with the announcement that the supply of short-term money should be made greater than the demand, through which it would also be possible to influence a drop in interest rates.

Ownership Goals

It is also hoped that a more relaxed monetary policy can be used to begin the transformation of ownership in the economy. Specifically, the goal is that part of the increased liquidity of enterprises be used as the basis for issuing internal stocks for employees. Thus, by way of investing part of their private assets (personal income), they would become a sort of co-owner of the enterprise, which would acquire the status of a mixed form of ownership. However, this monetary-ownership "team" is being subjected to legislative criticism, because it is not leading to substantial changes in this area. The additional liquidity is being used primarily for some form of compulsory saving (accumulation) in the enterprise, which as the principle of securing cash for the sake of new investment should not be understood as a bad thing either. But as a model for transforming ownership,

it is not a good thing, since social ownership essentially does not change. All that happens is that a marginal private share of employed workers is "added on," while the existing, dominant social ownership is transformed not even by one iota into any of the defined forms of ownership. The fundamental objection is that there is no open issue of stock in the company, according to which principle social ownership would be sold off to those who have investment capital, regardless of their origins (domestic or foreign investors), or the source from which the investment comes (private, institutional, fund-based, and so on).

Reorganization of Banks

The fact that monetary and credit policy will not be undergoing a reversal and abandonment of the stabilized course is evident in part from the goal that monetary sources be definitively "thrown out" of the repertory of options for reorganizing the banks. Naturally, a market reorganization implies the commitment of real budgetary sources, whereby it would be good to do so without repeating old mistakes.

Most of all, the reorganization should be performed on stated and "unhidden" losses, and these losses should be disclosed in their entirety through an audit conducted according to the international standards of foreign companies. It is projected that actual stated losses will be greater than \$8 billion, which should be recovered within a period of several years.

In addition to the approximate level of losses, there are new considerations that plainly point to the difficulties and obstacles surrounding carrying out the reorganization on a market basis. Besides the well-known problems surrounding auditing the balance sheets (inaccessibility of data, nonavailability of records, etc.), there are hindrances here that present themselves at large banks where the possibilities of internal control are less evident. Thus, large banks whose losses are in fact the "pith" of the problem, constitute a brake on rapid reorganization. Undercapitalization is greatest among them, or rather they have the greatest need to strengthen their capital foundations and leadership structures; at the same time, the opportunities for a market-based reorganization are the weakest here. This is why it is realistic to expect, in keeping with the assessment by Jovica Kunac, executive director of the Federal Agency for Reorganization, that the small and midsize banks will be the first to reorganize. Perhaps this is fortunate, since the reorganization of small and midsize banks requires less money than the large ones.

It is obvious that the limited amount of resources for reorganization is a major problem. It is normal that tax-revenue sources be committed for achieving these objectives, no matter how much this looks like state intervention in the business economy. Because without them, there is an objective threat of the complete collapse of a ruined banking structure. The aim here is not to "prop up" bad banks, but rather that the transition to

state ownership, or rather ownership by the Agency, be a transitional phase in the process of privatizing the banks, or selling bank stock to private founders. Naturally, one particular problem is whether all this is possible today, under conditions of heightened influence by territorialized policy.

These are not the only problems associated with reorganizing the banks. It will be difficult to make progress in establishing the control function by the National Bank, which would be oriented towards the quality of business and the quality of investments (and guarantees), as well as the possibility and realization of the capitalization process (and not primarily checking the compliance of practices with the law). It is not only the wide range of obstacles through which the National Bank is prevented from performing this function due to the alleged danger of centralization; rather, there is also the problem of the qualifications of both personnel and specialists to check credit ratings. A major role is also played by "big capital," which in our situation is personified by the group of largest debtors with the banks. This is why the necessity of breaking off these ties is emphasized, as a precondition for establishing the normal credit rating checks that would be applied to a market type of banking system.

The insistence on tax-revenue sources for reorganizing banks clearly does not mean that all material risk by the bank is excluded. Naturally, there must be risk, even if only a small amount, for founders (and creditors), which will probably occur in the form of capital depreciation and the so-called reservation of part of the proceeds from interest to cover the risk (in this latter case, there is less opportunity for the distribution of dividends to the founders). One particular problem noted by Jovica Kunac would be if the founders refuse to bear the burden of reorganization, which is common in practice, and would instead want to keep up the reorganization process. Authorizing the Agency to do so is one way out of this, as is authorizing the National Bank as a preventative measure in the event that the balance sheet and capital capacities are reduced to a realistic scope (depreciation).

The question, of course, is what will happen if there is depreciation of the actual amount of uncollectible claims, accompanied by a failure of the expected reorganization to materialize, among other things because the Law on Bonds (federal guarantee) does not pass, the aim of which is to carry out a reorganization amounting to \$3 billion (over the course of seven years). In that case, it is very likely that there will be intervention even without the use of bonds. Or, there is still the possibility that other legal options will be used for reorganization (such as direct intervention in the banks' accounts); because there is no alternative, no matter how much excluding bonds from reorganization evokes the danger that it could be carried out the old way. And this means without changes in the quality of business and without recapitalization as the goal that banks must pursue.

Bank Official Discusses Local Border Trade

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[Interview with assistant director of JIK [Export and Credit Bank of Yugoslavia] Dragoslav Vukovic by Vladimir Grlickov; place and date not given: "What To Do With Local Border Trade"—first paragraph is *EKONOMSKA POLITIKA* introduction]

[Text] The Export and Credit Bank of Yugoslavia [JIK] in Belgrade commenced its dealings in the exchange of payments with Trieste in 1947. In fact, it took on the business of a so-called payment site, where all the financial transactions of the military and consular authorities of Yugoslavia in Trieste were performed, beginning in 1945. With the conclusion of the Trieste Agreement in 1955, JIK became the bearer of an autonomous account, and on that basis emerged as the executor of payment-trade transactions within the framework of the exchange of goods agreed to under that agreement. At the beginning of the 1980's, in order to promote business efficiency and economic progress, the bank concentrated the conduct of these transactions in a special organizational unit in Koper. This is also where all transactions of the local border payment trade are conducted wherever there are operators (government control over exports and imports, the payment trade, daily communication with the bank's delegation in Trieste, and tracking the status of the autonomous account).

During 1988, JIK implemented concrete changes, the goal being to reduce the demand-side balance on the autonomous account, which in midyear amounted to 113 billion lire. Within the framework of the Committee for Local Border Trade of the Italian Section of the Federal Economic Chamber and with the consent of the federal organs, JIK proposed a program for realizing an additional quota of imports amounting to 50 billion lire, without an export obligation. In pursuit of the same goal, the bank in the documents of its business policy foresaw special credits at more favorable real interest rates in order to solve the problem of importers' dinar cash flow problems in the local border trade. The two measures contributed to a significant decrease in the balance of the autonomous account: From 76 billion lire at the end of 1988, it dropped to 68 billion at the end of March 1989. At the same time, the bank discontinued the use of prime issues.

The local border trade with Italy is of special significance as one of the established channels for the exchange of goods that has proven in present-day practice, especially under the aggravated conditions of the insolvency of the country's currency, to be a source for supplying the economy with intermediate goods (with more than 80 percent of the structure of imports).

It is figured that the local border trade in the coming period as well will be ensured by the opening up of the EEC markets to Yugoslavia. The extent of the opening up on this basis will most likely depend on the level

achieved for the period following 1992. Until then, it is completely up to Yugoslavia to maintain this level through its economic policy in practice, and in this way to utilize all the advantages that this form of exchange offers.

Thus, it is interesting to look at what the situation of the local border trade will be under conditions of an economically united Europe after 1992, or under conditions of a convertible dinar and of free protection of foreign exchanges and of imports on the foreign exchange market. This is why we spoke with Dragoslav Vukovic, assistant director of the JIK in Belgrade, about this subject.

[Grlickov] Please describe for us the characteristics of the local border trade with Italy that is conducted through JIK Bank. What were the real motives for its emergence and development after the war?

[Vukovic] The local border trade with Italy, like anywhere else in the world, arose in an area and environment where there is a very pronounced mixture of nationalities in the population. In addition, after the war relations between the two countries were "tense," and in part to relieve tensions and promote neighborly relations, it was desirable to formulate a type of exchange that would make it possible for goods to cross the border unobstructed in a preferential manner that was accepted even by GATT. Specifically, GATT agreed that countries that afford each other privileges in local border trade need not do so towards third countries as well in keeping with the clause on most-favored nations.

The further course of events showed that both the Italian and the Yugoslav sides sought to develop this type of exchange. In addition, this form of exchange continued to develop during periods in which the problem of maintaining the country's solvency abroad emerged. But our fundamental preoccupation is the future, or rather what will happen to the local border trade after the economic unification of Europe in 1992.

[Grlickov] Criticism has been voiced to the effect that the local border trade, as a preferential form of trade, constitutes some sort of privilege in relation to other forms of foreign trade, especially in the domain of free disposal over earned foreign exchange.

[Vukovic] This is always the case when you are talking about preferential forms of exchange. But the fact is that no one has been prohibited from marketing goods through this local border channel. Those who have not done so have arrived at this type of situation primarily through ignorance, a lack of information, and a lack of organization. Those who previously recognized the benefits of pursuing these transactions reaped these benefits.

[Grlickov] The phenomenon of surpluses in these transactions also stands out as a shortcoming, since that means a draining of substance from the country.

[Vukovic] The exchange mechanism is as follows. The Yugoslavia exports. This means a credit, and from it imports are assured. In addition, there is a special account, the so-called *conto autonomo* [autonomous account] with the Central Bank of Italy. This is a sort of record account with which the balance of exports and imports is assured: It cannot have a demand-side balance, or more imports than exports. We are talking about principles, so that in our case we began, with time, to act more flexibly, and not every export had to be linked to imports. Somehow, this contributed to the formation of a certain demand-side balance, which at one point reached a serious level. However, today the balance is significantly more moderate and has been reduced to 40 billion lire.

[Grlickov] How was the surplus reduced? Was it through a detrimental reduction in the total exchange that passes through this local border channel?

[Vukovic] JIK offered import credits. In this way, it sought to attract deals on this basis. Under conditions of insolvency, with favorable interest rates, these credits were well received.

[Grlickov] Do you think that the phenomenon of the surplus in local border trade is "something special" in relation to the soft currency surplus?

[Vukovic] This local border surplus is similar to the soft currency one, because the surplus in the "autonomous account" cannot be used as a basis for payments to third countries. But if we bear in mind that Italy is Yugoslavia's number two convertible trading partner, that it is well positioned geographically and has a good assortment of goods to accept, then it remains some sort of mystery why there has been a surplus in this account and why it has remained there for so long.

[Grlickov] Were there opportunities for exporters to sell their credits from the local border trade on the foreign exchange market?

[Vukovic] No, because currencies in the account are not suitable for trading on the foreign exchange market. Plus, I must mention that in this case they can be used to secure imports for which foreign exchange from the foreign exchange market would otherwise have to be used. Because Italy offers an assortment of goods that can satisfy "our orders," we would be talking about intermediate goods or equipment. This is why the Italians do not accept our proposals for applying interest to that demand-side balance; they say, please buy our goods, because that is the only purpose of the "autonomous account" with the Central Bank of Italy.

But in analyzing the phenomena and preservation of the local border surplus, one reason that we can give is the permit procedure required in order to ship Italian goods in that country, as well as the delays in approving preferential treatment on our side.

[Grlickov] Could the liberalization of equipment imports have an effect on reducing the local border surplus with Italy?

[Vukovic] That could possibly provide an additional stimulus, but I think that that is not the main problem. The problem is how to secure dinars to cover imports.

[Grlickov] The local border trade has been criticized in part because it is alleged that it has been used to import consumer goods while neglecting the import of things on which economic activity depends.

[Vukovic] The local border trade with Italy has been in direct correlation with the changes in the country's insolvent currency situation. That trade has experienced growth in situations where problems have emerged in payments with foreign countries. Through using these channels, it has been possible to add to the immediate valuation of exports, to the establishment of links between exports and imports, and to get at important, essential goods, especially intermediate goods. Admittedly, there is the belief that this channel of exchange has been used to import consumer goods. That is not accurate, however. The data from the mid-1980's, when the trade experienced its most rapid growth, indicate that more than 90 percent of the imports through this channel related to intermediate goods. In addition, there was an insignificant amount of equipment.

[Grlickov] The local border trade is of interest in situations of a "shortage" of foreign exchange. What happens to it today if the principle of the convertibility of the dinar and free access to foreign exchange for imports on the foreign exchange market is proclaimed? On the other hand, the fate of the local border trade is also linked to the new terms of trade in Europe after 1992, when the states, including Italy, will lose some of their economic sovereignty.

[Vukovic] We at JIK link the fate of the local border trade with Italy to the question of the terms of exchange after European unification in 1992.

I would not say anything right now about what Europe will look like in 1992 because that is a broad topic. I would linger at one factor to which Prof. Oskar Kovac has referred. The abolition of borders within the European Economic Community will raise the problem of competitiveness for many reasons. In principle, goods produced there will be significantly more competitive than goods coming from outside the EEC.

If we bear in mind that the local border trade with Italy on the basis of an international agreement constitutes a preferential form of exchange, then we arrive at our fundamental thesis, which is that this channel of exchange could, even under the new circumstances in Europe after 1992, constitute a competitive form of trade with Italy that in this case could turn out to be an integral part of this new community.

We must also keep in mind that under the new circumstances Italy will not have the sovereignty that it enjoyed when it concluded the agreement on local border trade. In other words, everything that will happen in the economic-financial sphere, including local border trade, will depend on the position and reaction of the European Economic Community as a whole. At this point, we propose that preferential arrangements like the one on local border trade be handled in the EEC from the point of view of the current volume of business. Existing arrangements would be honored and the conclusion of new ones would not be allowed.

This is why we at JIK feel that we in this country should pay special attention to this channel of the exchange of goods, at least from the viewpoint of maintaining the existing level of deals already concluded. It would also be useful in these terms if imports, liberalized to the fullest extent, would do something so that, through additional and deliberate measures, part of the exchange with Italy would be directed through the channel of local border trade. The goal is that by maintaining the existing level of business, it be maintained as a significant direction of

exchange with Italy. Under new conditions, it will be much harder to export into the unified European market.

[Grlickov] Is the fate of that trade linked to internal changes?

[Vukovic] I think that the basic problem is how to get into European markets under the new terms. We figure that we could be more competitive through this channel of exchange because in that case there would be less of the expected strain for our exports when they cross the borders of those countries. Under conditions where it will be harder to conquer EEC markets, it will be easier to enter into deals through the channel of local border trade, because in that case our exports will be less encumbered by their taxes and tolls.

I would add that we are talking about a channel for the exchange of goods whose traditional characteristic is the opportunity to market even small assortments and so-called incidental goods without major pomp and special buildup and preparatory "big-time" strategies and tactics for action.... In addition, it is not necessary that they involve big firms and commercial firms, because often they do not even get as far as these transactions.

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